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FAR EASTERN IMPRESSIONS

MONGOLIA
CHILI
SHANSI
HO-NAN
SZECHUAN
HUPEH
KIANGSU
ANHWEI
CHEKIANG
KIANGSI
FUKIEN
KWANGTUNG
KWANGSI
YUNNAN
TONG KING
BURMA
YELLOW SEA
JAPAN SEA
FORMOSA
PACIFIC OCEAN
HAINAN
Bhamo
Mandalay
Rangoon
MAP
OF
CHINA
SHOWING RAILWAY CONCESSIONS.
SCALE
REFERENCES

FAR EASTERN IMPRESSIONS

By ERNEST F. G. HATCH, M.P.

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JAPAN—KOREA—CHINA

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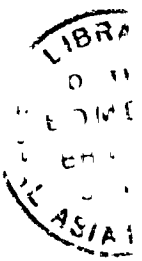
WITH THREE MAPS AND EIGHTY-EIGHT ILLUSTRATIONS



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PREFATORY NOTE

DURING a tour in Japan, Korea, and China, made some three years ago, the author was at pains to collect and note down many facts and opinions bearing on the varying phases of the Far Eastern problem, and particularly upon its commercial aspects. The outbreak of the Russo-Japanese War has suggested to him that these "impressions" of a business man, who made a point of seeking and obtaining information from every authoritative source available to him, might have an interest at the present juncture, if they were corrected and brought up to date by later knowledge. He has accordingly cast his experiences into narrative form, and now offers his little work to the public with the expression of a hope that it will be understood that it assumes to be nothing more than its title implies.

In the compilation of the work the author has

been greatly assisted by gentlemen of wide knowledge and experience in Far Eastern affairs. He is particularly indebted to Mr. J. Glass, C.I.E., M.Inst.C.E.; Mr. Burkell, Secretary of the China League; and Mr. Arthur L. Pearse, C.E., who have supplied him with facts of considerable interest and importance bearing on the topics treated.

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FAR EASTERN IMPRESSIONS

CHAPTER I

JAPAN—CHANGE IN THE EAST—JAPAN BECOMES A GREAT POWER—HER BITTER RESENTMENT AGAINST RUSSIA—PREPARATIONS FOR A *REVANCHE*—EXTRAORDINARY DEVELOPMENT OF JAPANESE TRADE—JAPANESE AND RUSSIAN POLICY CONTRASTED

NO one who has visited Japan and China in recent years can fail to have been struck with the fact that the phrase "the unchanging East" is out of date, at least as far as that extreme part of the Orient is concerned. Change is everywhere visible. Japan's progress is at such lightning speed that it is difficult to keep pace with it; on every side are manifest the influences of Western thought and action. Even the inert mass of China has been stirred by the sharp shocks which it has received and is receiving from without. It is stretching its giant frame and turning uneasily on

its couch, as if preparatory to its awakening from the long sleep of ages. In what direction the movement will go or how far it will be carried he would be a bold prophet who would say. But that the mantle of jealous seclusion in which the Far East has from time immemorial wrapped itself is in rapid process of being torn away, never again to be worn, is a fairly safe assumption.

Landing in Japan as I did about three years ago, when the country was settling down after the war with China, I found myself, as it were, on the flood-tide of the current of national progress which has since carried Japan so far, and is destined, in all human likelihood, to take her much further. At one bound, as it were, she had jumped from the position of an Asiatic Power of the second rank into the company of the world Powers. Her comparatively easy conquest of her colossal neighbour was not only a triumph of military skill and organisation, but a revelation of national strength and stability of purpose which astonished, and in some directions disquieted, Europe. There were critics who, judging by the hopeless inefficiency and corruption of the Chinese official classes and the general disorganisation of its Government, grudgingly questioned her title to be considered a military power. But even these cavillers had to admit that a Power which could carry out with

such tenacity of purpose and thoroughness operations such as those which marked the campaign from beginning to finish was no ordinary force. If not a great Power, as the term is understood in Europe, at least Japan was head and shoulders above any other country in the East in all that concerned the science of government.

As far as Japan herself was concerned, the effect of the brilliant successes won on sea and land in the eventful days of 1895 only seemed to strengthen the view entertained by competent observers that the country had won more than a transient advantage over a huge but helpless foe. Her achievements did not bring in their train that moral intoxication which has so often affected a country similarly situated. Though there was a consciousness of power born of the combat, it was mingled with a self-restraint and a moderation which were altogether admirable. Even the stinging douche administered by the action of Russia, Germany, and France in depriving Japan in the hour of triumph of the most substantial fruits of her victory, did not disturb her superb calm. Yielding to a force which she could not hope to successfully oppose, she submitted to the inevitable with quiet dignity. No riotings occurred, no petulant and abortive protests were directed to unsympathetic chancellories. Japan merely retired with clenched

teeth and set face, registering under her breath a vow that in her own time she would revenge the humiliation which had been cast upon her. A nation which can behave thus cannot be ranked as a mere upstart intruder into the family of civilised Powers. Obviously she is a child born in the purple, capable of working out for herself a great future on the lines of European progress.

The feeling of national confidence engendered by the war with China was manifested in many ways to a traveller who, like myself, visited the country to study its institutions, trade and modes of life. Foremost was to be noted a determination amongst men of all grades and in all walks of life to build up a navy which for the nation's purposes should be beyond all question adequate. It was the *revanche* of France, but the *revanche* with a difference. While across the Channel demonstrations of a somewhat excitable patriotism revealed from time to time the fierce fires burning beneath the surface, in Japan there was no outward sign of animosity to flutter diplomatic dovecotes and provide a topic for the international press. The Japanese thought and acted—chiefly acted. Enormous sums of money were applied without a popular murmur to the one cherished object. The substantial indemnity paid by China not sufficing for all purposes, heavy

additional taxation was imposed, and never a voice was seriously raised against the policy. Indeed, what popular feeling there was tended the other way. People grumbled because the Government did not go sufficiently fast for them. They were feverishly anxious lest, for the want of an adequate armament at the fateful moment, the great end should not be attained.

Nor was it on the building up of a great navy alone that national hopes were concentrated. The army, which had accomplished so much, must be placed in a position to achieve more. It had successfully crossed swords with the ancient hereditary enemy, but a more formidable foe loomed in the near distance, and if, in the inevitable encounter with this Power, Japan was to hold her own, she must be able to reinforce the strong arm of the navy with powerful, well-equipped land forces capable of taking the offensive as circumstances might demand. A revised scheme of military organisation, formidable in its dimensions, comprehensive in its character as regards equipment, and designed on approved European principles with modifications to suit the genius of the Japanese people, was methodically elaborated. Every detail was carefully worked out in the light of evidence gathered by experts commissioned to every great military country in the world, not omitting our

own Indian Empire, where a perfect model of an Asiatic army formed on European lines supplied, we may assume, much suggestive material for the Japanese War Office. In this way was evolved a splendid fighting machine, in numbers three times greater than the force with which the country entered upon the war with China, and in efficiency and equipment immeasurably its superior. Thus Japan prepared herself for the future, submitting, meanwhile, to burdens and deprivations which, seeing how remote were the alternate benefits to be secured, would have tried the patience of most other nations.

In its influence on trade the war with China marked a not less distinct epoch in the history of modern Japan. Following the close of the military operations came an enormous development of activity in all branches of commerce. There had been a great advance before the war, but afterwards, under the stimulus of national ambition engendered by the triumph secured for Japanese arms, there was a great extension of trading enterprise in many directions.

The shipping interest especially underwent vast expansion. Recognising that the success of Britain as a naval force went hand in hand with the supremacy of her mercantile marine, the Japanese strained every nerve to build up a trading fleet.

New lines of steamers, largely manned by natives, were put upon the local seas, and direct communication with England by a splendid line of fast boats was established. Nothing was left undone which would help to increase the maritime power of the country. Though regarded somewhat doubtfully at the outset by foreign observers, the enterprise flourished apace. The capacity of the Japanese to work and maintain in perfect efficiency a trading fleet was demonstrated not less strikingly than had been their ability to keep in commission a modern navy. The various lines were conducted with a degree of punctuality and a smoothness of working which would have done credit to a first-class European steamship company; while, as travellers in the Far East, like myself, can testify, their internal economy, whether as regards cleanliness or comfort, left nothing to be desired.

The existing war has naturally put a period to the operations of several companies which are engaged in the shipping business, and probably it will be a considerable time, whatever the result of the campaign, before the services are re-established on their old footing. But if Japan emerges successfully from her troubles, nothing is more certain than an enormous increase of her shipping interest. She will, it may be anticipated, be practically supreme in the local trade of her

own coasts and of those of Korea, and it is also likely that she will be a keen competitor with us and Germany for the coasting trade of the greater part of China. Her genius for the sea and the natural capacity of her rulers may even carry her further; and it is by no means improbable that the flag of Japan will float in the most distant seas of both the new and the old world side by side with our own. Patriotism is a potent factor in the building up of the mercantile marine, as it has been in the creation of a strong navy. It may be relied on to push forward all projects for extending the country's trade abroad when in due time affairs permit of a fresh start being made.

While Japan has been marching forward with giant strides herself in the last few years, her example has not been without its influence on China. When I was in the Far East I was much impressed by the proofs which were constantly confronting me of the manner in which the well-educated section of Chinese were learning to look towards the Land of the Rising Sun for inspiration in the arts of government. Their enormous self-conceit had received a rude shock from the impact of Japanese power, and irresistibly, if reluctantly, they were training themselves to look up to their old enemy as to one who might deliver them from the thraldom of Europe. Only the corruption and

disorganisation of the central Government prevented the feeling from having more definite scope. A Japanese tutelage in matters affecting the military interests of the empire would have been welcomed by many, but such was the position of affairs at Pekin that an arrangement was impossible at that time. The Boxer rising, with its fatal train of consequences, effectually extinguished for the time being the hopes of those who were favourable to an alliance between China and Japan; but the idea itself survived, and as soon as the country was freed from the occupation of the troops of the European powers, there was a revival of the old schemes. How far they have been put into execution time alone can reveal; but it is morally certain that the energetic and ambitious race which is measuring swords with the Northern Colossus for the domination of the Far Eastern world has been exceedingly active in the concerns of her great neighbour. A steady stream of native students from the Chinese provinces has been passing through her naval and military schools, learning something of the methods by which Japan has raised herself to her present high position amongst the nations of the world.

Meanwhile, Japanese agents have crossed the Yellow Sea in considerable numbers to assist in the task of preparing China to resist aggression. They

have not proclaimed their mission to the world, but in that silent, persistent fashion so characteristic of their race have been working for the ends which the Japanese Government has in view. These subterranean influences, according to report, have already produced tangible results in the partial rehabilitation of the Chinese arsenals and the strengthening of the trained military forces of the empire. But what has been accomplished is of small account compared with the possibilities of the future, if Japan herself is able to maintain her position. On this aspect of the question I shall have something to say in a later chapter. For the present I only note the movement as one of the influences which have been at work in the Far East since the conclusion of the war between China and Japan.

A factor which has profoundly affected the situation in the Far East and given strength to this movement for the intimate association of the two empires is the course of Russian diplomacy. The tortuous methods by which the Northern power has directed her system of "peaceful penetration" until she has not only fastened herself upon the whole of Manchuria, but has also menaced Korea on the one hand and Pekin on the other, has, apart from the bloody struggle which we are now witnessing, produced results of the most wide-reaching character. There has been an awakening of China to the

JAPANESE SOLDIERS (SEE PAGE 16).

[*To face page* 10.

CHINESE SOLDIERS.

[*To face p.* 11,

terrible danger which threatens her from the insatiable lust for dominion which characterises her unpleasant neighbour on the north-east. It is realised by the thinking minds of the country that if the avalanche is not stayed, the Cossack hordes may overrun the country to its very centre, and that the knell of China's independent existence will be sounded before the world is very much older. For some time past Japanese counsels have therefore had considerable weight even at Pekin, despite the malign influences, partly of terrorism, partly of corruption which the Russians have been able to exercise on the feeble Mandarinism of that capital. The results of this influence have already been apparent in several ways, and probably they will be still more manifest before the war has proceeded much further. The aptitudes of the two peoples are so similar as to make combination an easy matter. Where a European would be quite at fault in negotiations with the Chinese, the Japanese are perfectly at home. They know their men, and, knowing them, are able to turn them to their purpose in the way which seems best to them.

At present there is no desire that the world should know too much of what is going on behind the scenes. The new diplomacy has no attractions for the Japanese. They prefer to work in mole-like privacy, and only to allow their work to become

known by its results. It is this element in their policy which makes them so formidable an opponent to a European Power like Russia. It is this element which may make them not less dangerous later on to other European interests, should the fortunes of war be in their favour.

At present Japan unquestionably stands for political and commercial freedom, as against a blighting despotism. Wherever Russia has put her foot in the Far East, all freedom, whether of trade or of political action, has been crushed out. Like the cuckoo, she appropriates another's nest, and occupies it to her own advantage. A Russianised China would mean a China with a great tariff wall built around it, which would be an effectual barrier to the trade of every other nation. That she herself would not profit by the trade would not concern her. It would be sufficient for her to know that her dominion was absolute, that her agents gathered exorbitant dues at the ports and that her legions ranged unfettered over the Hinterland. The shamelessness with which she has carried through her policy of conquest in the face of solemn pledges repeatedly given is without a parallel in the history of the world. Nothing like the recently published official correspondence over the occupation of Newchang has ever before probably seen the light. It is a startling record of broken faith. Promises

are regarded as a mere useful anodyne, to be applied when there is irritation about, and to be cast aside when the inflammation has subsided. It is this callous disregard by Russia of her own pledged word which has brought about the existing dangerous situation. It is the same influence which has given the spur to Japanese progress and brought into the range of practical politics an Asiatic combination such as has not been witnessed since the palmy days of the Moguls.

CHAPTER II

JAPAN—FIRST IMPRESSIONS—YOKOHAMA—THE JAPANESE ARMY—CONTRASTS OF JAPANESE LIFE—NATIONAL CHARACTERISTICS — JEALOUSY OF FOREIGNERS — TALK WITH SIR ERNEST SATOW—JAPANESE INDUSTRIES—POLITICAL LIFE—JAPANESE PROGRESS AND WHAT IT IMPLIES—ATTITUDE TOWARDS GREAT BRITAIN

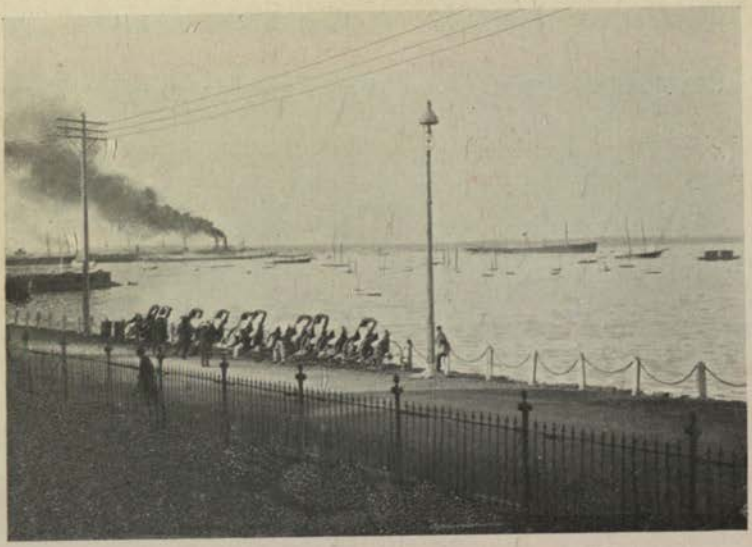
THERE is a charm about Japan which strikes the traveller on first setting foot in the country. The brightness of the buildings, the picturesqueness of their surroundings, and the daintiness of the costumes of the women all go to make an *ensemble* which creates an agreeable impression on the newcomer, accustomed to the more sombre outlook of the West. The courtesy of the officials with whom one is brought in contact adds to the pleasantness of these first impressions of the Far East. Your customs troubles are of the lightest, and there is nothing in any other respect to remind you of days, within the memory of people still not old, when the country was a closed book to the European.

Yokohama, the first port of call for me, as

YOKOHAMA : THE PRINCIPAL STREET.

YOKOHAMA : A STREET SCENE.

[*To face p.* 14.



YOKOHAMA: A VIEW OF THE HARBOUR.

TOKIO: A STREET SCENE.

[*To face p.* 15.

it is for most visitors from Europe, is a fine city, which in its native quarters reminds one of Bombay and other Indian cities. The houses, however, are on a better scale, the streets are sweeter, and the people wear more clothes. The shops are beehives of industry. They reveal in their great variety and in the character of the goods shown the commercial aptitude of the people. A great variety of European-manufactured goods are displayed, and side by side with them one sees those artistic productions for which Japan is famous. One circumstance which strikes the visitor is the small number of horses in the streets. The universal mode of conveyance is the jinricksha, the hire of which only costs one yen (two shillings) per day. The men who pull these small carriages travel sometimes as much as eight miles an hour, and they can go easily fourteen miles without stopping. A journey of thirty miles in the course of the day is not uncommon. One reason given for the excessive reliance on manual labour is the absence of grass in the country. All hay has to be imported, and naturally horse-keep is very expensive.

Under the old conditions of Japan's existence the banishment of the horse was a matter of small importance. But with the necessity of maintaining a huge army on European principles the circumstance constitutes a serious drawback. Cavalry and

mounted infantry cannot be dispensed with, and yet it is not easy to see how they are to be produced out of the material to hand. At present this branch of the Japanese Army is exceedingly weak, and if it fails in its present land operations it will probably be by reason of its deficiency in this respect. As far as the military forces as a whole are concerned, I may perhaps give an extract from my diary in which a description is given of a review of fifteen thousand troops I witnessed soon after my arrival. I wrote :

The infantry looked very efficient and the artillery presented an exceedingly smart appearance. The Emperor, who was present, while being received with profound respect, was not cheered by one of his subjects.

I had a long talk with the Minister for War, General Viscount Katsura (the present Prime Minister). He told me the Army is modelled on precisely the same lines as the German Army. No wonder the Japanese Army estimates are low, when it is remembered that the men only receive two shillings per month pay! Their food, which consists mainly of rice, is provided by the Government. In addition to their military duties, they are employed in making boots, saddles, and numerous articles for their general use. Several words of command I heard were given in English, such as "Attention," "Right turn," etc.

The War Minister does not necessarily change with the change of Government. General Viscount Katsura has been War Minister in three successive Governments.

I visited the arsenal and saw the Japs at work making small arms and bullets. I was much struck with the splendid building in which the men worked—lofty and well-ventilated workshops. Everything looked very workmanlike.

The contrasts presented by life in Japan are very striking—almost startling. On the one hand you see a picture like that I have just described, in which you have the last word of European efficiency ; on the other you are confronted with a scene which takes you back to the very remotest days of the world's history. In one quarter you will find electric tramways, electric lighting, and all the latest adjuncts of civilisation ; in another you will see men carrying through the streets by means of poles and ropes a huge stone, the entire weight of which is imposed upon the shoulders of the perspiring bearers ; again you will meet a motor-car of the latest pattern bustling through the streets ; while in a field not far away you will see a labourer ploughing with an implement of almost the exact pattern of that used by the Ancients. The modern and the old jostle at every turn ; the West and the East are in continual collision, and the visitor is left with a bewildering sense of incapacity to determine whether the people really have changed or whether what one sees is merely the evidence of a superficial movement which does not touch the heart of Japan.

In their domestic life the Japanese have certainly departed little from their old customs and habits. They put on European clothes, and to some extent follow Western customs; but if you penetrate to their homes you find that the old life is being lived much as it was in the old days. I may again refer to my diary to illustrate my remarks. Writing of a visit I paid to a Japanese family, I said:

My host and hostess and the members of their family sat on the floor on small cushions. No chairs or tables or anything high were to be seen. Light-coloured tea and sweet cakes were served. What I did not eat was wrapped up in a paper parcel and handed to me on leaving.

In greeting one another, the Japanese women kneel and bow their foreheads to the floor, and murmur little pleasantries. An interesting story is told of Japanese greeting. Two men met and bowed very low three times, but they were of equal rank and very careful not to appear to be subordinate one to the other, and so both peeped up to see if the inclination of the other was to continue bowing. This went on until eight or nine bows had been exchanged, when the little comedy ended by mutual consent.

A servant, when he enters his master's presence, kneels and remains on his knees when talking, and when answering questions he makes a profound bow.

The houses are beautifully simple and decorated with perfect taste—faultily faultless. Some of the wooden carvings in these houses are very fine. I saw specimens in the house of Mr. Okura five hundred years old. The brightly polished floors and delicate matting

A STREET SCENE AT NIKKO: TWELVE MEN CARRYING A STONE.

JAPANESE PLOUGHING.

[*To face p.* 18.

JAPANESE BOYS COUNTING.

JAPANESE AGRICULTURE: PLANTING RICE.

[*To face p.* 19.

make it imperative for all foreigners to take their boots off before entering a house. This, however, is the custom throughout Japan. Wooden clogs are worn by the Japanese, and are easily shaken off; but slippers are provided for foreigners when they enter the house.

When any one is shown round a Japanese house, all the servants come too, it being considered impolite for them not to be present.

I went to a garden-party given by the Emperor. It was curious to see the new Japan. All the assemblage —Japanese as well as foreigners—wore European dress, the men tall hats and frock-coats. Some of the former were a treat to see. The ladies wore bonnets and European dresses, but as they had no waists, I was forced to admit they looked most ungainly.

The partiality for European costume commented upon in my notes seemed to me, from observation, to be due more to the exigencies of fashion than to a genuine liking for Occidental dress. An incident which went to support this theory came under my notice later when journeying from Japan to Korea. Amongst the passengers on the boat were the Baron Nishi, the Japanese Minister to Pekin, and his wife. The latter came on board in a smart European gown, but as soon as the vessel had got out to sea she donned her picturesque native dress, and wore this for the remainder of the voyage. I was told that Japanese find our attire much colder than their own. Possibly this circumstance may, to some extent, account for the baroness's quick change.

Another point of some interest indicative of the tenacity with which old ways are adhered to, despite the headlong speed with which some of the developments of Western civilisation are being followed, is the retention of the native system of calculating. For this purpose a contrivance known as an abacus or a *soraban* is used, and without its aid few Japanese would dream of making a calculation if the sum were a little intricate. As an example of the tendency to rely on something material for reckoning, I may mention the action of a secretary to an ambassador who, in arranging a little luncheon-party for six or seven people, counted on his fingers in order to make sure that he had the correct number. The social observances of the Japanese supply an endless source of interest to the foreigner. While at Kioto, the ancient capital of Japan, I saw a good deal of genuine native life. I transcribe some of my notes dealing with the place:

Cremation is very much in vogue. In olden days funerals were always performed at night, the idea being that it was more healthy. Their funerals are immense processions. I came across one in Kioto. The followers were numerous, and were dressed in gorgeous costumes. They laughed and chatted, and it was more like a fair than a solemn procession. Even the priest seemed quite happy and cheerful.

We saw a bit of old Japan in the country—married

women with blackened teeth and shaved eyebrows. This was a general custom many years ago, but the present Empress is rapidly stamping out this and other odious customs.

It is a curious thing to see a Japanese theatre. In the entrance hall one sees piles of wooden clogs and umbrellas, and perhaps one or two pairs of boots, for, as I have before explained, nobody is allowed to enter any building with his boots or clogs on. The whole audience sit on the floor. The stage is low enough to meet this condition of affairs. The people applaud by clapping their hands.

Some additional notes deal with another, and somewhat unpleasant, phase of Japanese life :

Earthquakes are very prevalent in Japan. So frequent are the visitations that the glass skylights in the Houses of Parliament have been removed, owing to the glass having been badly broken during one of the shocks.

One of the professors at the university told me that he estimated that as many as two thousand earthquakes occurred each year. He showed me an instrument by which they can tell when an earthquake occurs in any part of the world.

While I was lunching with Mr. Bardens at Kobe, we had three earthquakes. At the first, all the windows rattled vigorously, but not sufficiently to alarm me. Indeed, if Mrs. Bardens had not got up in terror, exclaiming, "Earthquake!" I should have thought little of it. They say that, unlike most things, you do not get used to earthquakes, but you become more afraid of them after each shock.

Two other extracts dealing with matters of interest

I may permit myself. The first refers to Tokio, the capital; the second applies to the whole of Japan:

With all the up-to-dateness of the Japanese, their capital is strangely neglected in many respects. With the exception of one or two main streets, no public lights are provided. Here and there one sees a small oil-lamp outside the houses in the smaller streets, and a faint glimmer is shown. The 'ricksha men carry Chinese lanterns; otherwise collisions would be frequent at night.

In all the railway stations English, as well as Japanese, is used. The bye-laws and other notices are printed in both languages. No other tongue is used, and foreigners are naturally rather jealous.

At the time of my visit to Japan there was much perturbation amongst the European community, owing to the conclusion of the new treaty abolishing the jurisdiction exercised by each country over its own subjects. For years this matter had been agitated, and the controversy had been marked by many violent and even menacing phases. On the one hand the Japanese nationalists had clamoured for a repudiation of treaty rights without waiting for the sanction of diplomacy; on the other, foreign merchants had stoutly resented any interference with existing arrangements. In the end a way was found out of the *impasse* by the conclusion of a treaty which, while it conceded to

the Japanese the right of independent jurisdiction which they cherished, yet gave important compensating advantages. The arrangement was hotly assailed as a surrender to Japanese pretension, and when I was in Japan the embers of the controversy were still smouldering. Since then, however, I think it has been generally recognised that a perfectly statesmanlike and prudent course was taken by our Government in surrendering gracefully, and for full consideration, rights which could not in any case have been long maintained. In this connection I can but re-echo the words of Lord Curzon[1] that "at least this credit must, without dispute, be accorded to Great Britain, and should never be forgotten by Japan, that first of all the great powers, at a period anterior to the Chino-Japanese War of 1894–5, and consequently under no stress of expediency, emulation, or self-seeking, but of her own free will and with ungrudging hand, England assisted Japan to strike off from herself the shackles of a past to which she had proved herself superior, and which is every day fading into a more rapid oblivion."

Much of the opposition shown to the abolition of extra-territorial jurisdiction was no doubt due to the distrust entertained by business men of the Japanese traders, whose tortuous methods were

[1] *Problems of the Far East*, p. 69.

alien to Western commercial codes of right dealing. On all hands I heard of the craftiness and crookedness of the native dealer, and the impossibility of conducting negotiations with him on ordinary lines. Cases were cited in which heavy losses had been sustained by extending to them the trust which would be accorded as a matter of course if a respectable European firm were in question. Their desire always appears to be to evade the responsibilities of a bargain, if anything is to be gained by doing so. Their conduct is not so much due to dishonesty as it is to an inherent incapacity to accurately appreciate commercial morality, as the phrase is understood in the West. Time may be expected to correct this somewhat unpleasant national characteristic of the Japanese. The nation is nothing if not teachable and practical, and when it learns, as it must do, that straightforwardness in business is a valuable asset, it will copy the commercial morals of the West as it has adopted Western manners.

A force to be reckoned with in the commercial life of Japan is the intense feeling of racial exclusiveness which permeates the country. While the Japanese have shown extraordinary readiness to graft on to their national life the products of Western civilisation—to revolutionise, in fact, their entire system of Government—they have clung tenaciously to the principle

TOKIO: A NATIVE WATER-CART.

IN A JAPANESE VILLAGE: A GROUP OF WOMEN AND CHILDREN.

[*To face p.* 24.

JAPANESE STREET ADVERTISING.
(The design on the man's clothing is an advertisement.)

KIOTO: A JAPANESE FUNERAL.

[*To face p.* 25.

which found such vivid expression in Old Japan, that the foreigner was at all costs to be kept at arm's length. All the great European races have been drawn upon at different periods to serve as teachers of Western arts in Japan, but their presence in Japan has been tolerated rather than sanctioned, and as soon as they have taught the natives all that there was to be taught in the different departments, whether of the Navy or the Army, of Commerce or of learning, they have been dismissed, and natives have taken their places. The country is still to some extent in leading-strings, and the time is not yet when foreign tutelage can be dispensed with; but it is morally certain that the Western element will not be favoured a day longer than is absolutely necessary.

The jealousy of foreigners was shown markedly in the agitations which preceded the treaty revision, and it has since cropped up in a variety of ways. One form which it conspicuously takes is objection to the introduction of foreign capital into public enterprises. The fear of outside influence firmly establishing itself in the country through the medium of investments is intense, and it is made effective in its expression by the law which prohibits the owning of land by individual foreigners outside the European settlements. Several instances of the way in which the sentiment operated were brought

under my notice during my stay, but the most recent are to be found in the last-issued consular report on the trade of Japan—that for the year 1902. Here mention is made of abortive attempts by British capitalists to finance certain Japanese railway companies. The negotiations apparently were carried to the point of success, but were ultimately frustrated because the necessary Bill amending the law did not pass the Diet. A second example of the kind elucidated in the report is that of the Tokio Gas Company, a sound concern, which sought to obtain money from America with a view to extending its business. "The present capital is about £430,000, and it was proposed that the capital should be doubled and the new shares taken over by an American capitalist at £8, the market value, the face value being £5. It should be said parenthetically that this same capitalist had only shortly before concluded another agreement on similar lines with the Osaka Gas Company. Fear or jealousy of the foreigner, however, prevented the shareholders of the Tokio Gas Company from following the more courageous example of their Osaka colleagues; they thought it calamitous that the foreigner should enjoy equal privileges with themselves, and the result was that the negotiations fell through." A final case cited is that of the Tokio Electric Railway. Money for this enterprise,

it was proposed, should be sought in the United Kingdom and Australia ; but such a storm of opposition was raised by a certain " not very reputable portion of the Tokio press " that it seems at present doubtful whether the negotiations will reach a conclusion satisfactory to the investing capitalist.

It must not be supposed that the feeling of antagonism to foreign capital is universal. From what I could hear there is a substantial section of native opinion which would heartily welcome the investor from without, in the full belief that in the absence of such aid the full progress of Japan would be impossible. The views of this section are well expressed in a letter which appeared in the *Japan Times* in January of last year from the pen of Baron Yanosuke Iwasaki, one of the best-known business men in Japan. The Baron (I quote from the translation given in the Consular report), after drawing attention to the great sense of personal responsibility which seems to inspire business men in European countries as compared with Japan, where no sense of responsibility at all seems to exist, goes on to say that though himself not averse to the introduction of foreign capital, he would have the nature of the undertakings in which it might be invested limited. Enterprises, for instance, like railways, gas-works, electric lighting, etc., of the nature of monopolies, are, he asserts, so closely

connected with public interests that they may in a sense be considered as public undertakings, and in his opinion the time has not yet come when foreigners may be allowed, in return for the money they advance, to have absolute control of them. In the present state of Japan's progress, when general bewilderment, lax discipline, and no sense of responsibility characterise the actions of both shareholders in concerns and those in charge of them, there might be ground for apprehension should foreign capital be introduced without limitations, lest foreigners seize the power of management of enterprises and use it to an injurious extent.

There is sense in what the baron writes, and it is probable that some such middle course as he suggests will ultimately be adopted. At all events, we may be sure that the practical good sense of the people will see in the long run that to hold the foreign capitalist at arm's length as they do is neither profitable nor discreet.

I had many opportunities during my sojourn in Japan of discussing commercial questions with men whose opinions were worth having. One of the most interesting of these conversations was with Sir Ernest Satow, then the British Ambassador to Japan and at present His Majesty's representative at Pekin—one of the ablest and most experienced

members of the Diplomatic Service who has ever served in the Far East. The question uppermost at the time was the extent to which assistance was given by Consuls to the trade of the countries which accredited them. There had been a good deal of grumbling at home about the way in which our Consular representatives did their duty, and their easy-going ways had been disadvantageously contrasted with the pushing methods of the representatives of other countries—notably in the securing of orders for ships for the new Navy which Japan was forming. Sir Ernest Satow entered fully into this question with me, and the point of his explanations, as recorded at the time in my diary, is of sufficient interest to be given as it stands. Here is the extract:

I called on Sir Ernest Satow, and had a long and interesting talk with him on the subject of trade and the extent to which it might be assisted by diplomatic and Consular representatives.

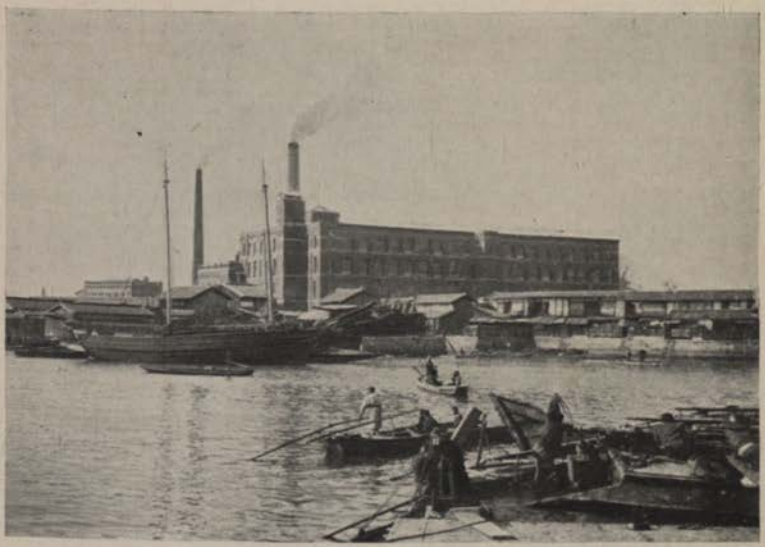
Sir Ernest said that owing to the British Minister having so many subjects under his care all urging him to help British commerce, he was not able to render much assistance. It was different with other countries. It was an easy matter, for example, for the Belgian Minister, who had a mere handful of his fellow-subjects to look after, or for the Russian and Italian representatives, who had probably less, to make their voices heard.

The Japanese make every provision against business

drifting into the hands of foreigners. They enact that all Government contracts shall be tendered for only by those who have paid two years' taxes. The foreigners not paying this particular tax are therefore prohibited from competing. The consequence of this is that in many cases the Japanese merchant who obtains a contract must sub-let it to a foreign merchant, and so the Government, so to speak, has to pay a middle-man's profit. Sir Ernest said that the Japanese pay the highest price for the materials they use for the Army and Navy, and take great care that the quality is first-rate.

Sir Ernest Satow's views on diplomatic influence on trade were confirmed by other authorities with whom I was brought in contact. In recent times, at least in the Far East, commercial concessions have been made a subject of direct diplomatic bargaining, and the facility with which particular nationals have been able to obtain important advantages is mainly to be explained in this way. I was told on very high authority that the Marquis Ito had stated that Germany had diplomatically stipulated before she signed the treaty in reference to extra-territorial jurisdiction that she should receive an order for a ship or two, and that America, on the score of old friendship, had made a similar request. I daresay it is a most difficult matter for our representatives to emulate this newest diplomacy, and probably it is not entirely desirable that they should do so. Still, it is undeniable, I think, that a more energetic course

OSAKA: THE MANCHESTER OF JAPAN.



OSAKA: COTTON MILLS.

[*To face p.* 30.

OSAKA: NATIVE BOATS.

OSAKA: THE YOKOHAMA CANAL.

[*To face p.* 31.

of action might be pursued without detriment either to the individual freedom of our diplomats or to the interests of the service as a whole. On this subject I shall have something more to say in later chapters.

Amongst the most pleasant incidents of my visit was a reception given to me by the Chamber of Commerce of Nagoya. The Members of the Diet for the division were present, together with many of the leading merchants of the district. The main feature of the programme arranged for the occasion was a banquet, followed by a public meeting held in a large hall. The latter was conducted on Western lines. Through an interpreter I made a speech on the Parliamentary and commercial aspects of Japan, which was followed with keen attention, and elicited a general discussion afterwards. Subsequently, I had an opportunity of seeing something of the nascent industries of Japan, and of judging for myself as to the extent of the progress made in the building up of important manufactures. One notable visit I paid was to Osaka, the great industrial city of Japan; it is full of factories, and intersected by canals in all directions—a Manchester and Venice combined. I reproduce the notes I made in my diary:

I went over a cotton-mill owned by the Settsu Cotton Spinning Company, and found splendid airy and

well-ventilated workshops. Plats, of Oldham, made most of the machinery, and the managing director, Mr. Kirkuchu, told me that the machinery, though expensive, was durable. There are seventeen cotton-mills in Osaka and 453,606 spindles. In all Japan there are seventy-four cotton-mills and 1,251,000 spindles. The workmen and boys, taken on an average, receive 7½*d.* per day, the foremen 2*s.* per day, and the women 5*d.* per day. They work eleven hours with two intervals —*i.e.* a quarter of an hour for smoking and half an hour for luncheon or dinner. The mills work twenty-two hours a day in two shifts. No restriction is put on age, and many of the children employed are not more than seven or eight years old. The manager told me that wages had increased during the last four years to the extent of about one-third, and he thought that they might go on increasing.

The Japanese principally import Indian cotton, and export manufactured goods largely to China. They grow some cotton themselves, and import some from America; but as they make 8$^{s.}$ and 20$^{s.}$ (particularly coarse makes of cotton goods), Indian cotton is quite good enough.

The enormous growth of the cotton-spinning industry is one of the features of modern Japan. Aided by cheap labour, it has a great appearance of prosperity. A large export of the products of the Japanese mills has taken place to China in recent years, and this trade is almost certain to grow to large dimensions when the country resumes its normal life after the war. There are some people who forecast an even more

brilliant future for the trade and see the time when Japanese cotton fabrics will be found competing in wider markets. I will not venture to don the mantle of the prophet; I will simply content myself with adding to my notes the observation that at present the Japanese do not appear to be able to produce the finer classes of goods, and that there is no immediate prospect of their overcoming the difficulties with which they are confronted.

It is not alone the cotton manufactures of Japan which give point to the predictions of a yellow industrial peril looming in the distance. In ship-building the country is making great strides. The far-famed Mitsu Bishi Dockyard and Engine Works at Nagasaki are equal in the matter of equipment and character of workmanship to anything outside Europe and America. A most interesting description of this is given in recent Consular reports. There are two docks, one of an extreme length on blocks of 513 ft., and one of 360 ft., while a third dock with an extreme length on blocks of 700 ft. or more, is about to be or has just been completed. A patent slip, capable of taking vessels up to a thousand tons, is another feature of the establishment. Such are the resources of the yard that two vessels of 600 ft. and two of 300 ft. may be under construction at the same time.

Everything is thoroughly up to date in this Far Eastern Clydebank. Magnificent machinery driven by electric power has lately been laid down, and it is the enterprising proprietor's intention, according to the report of Mr. Forster, the British Consul, to entirely substitute electricity and compressed air or steam for motive purposes. It remains to be stated that the yard employs over five thousand hands, and that in 1901 no fewer than twelve vessels, ranging from ocean-going steamers to steam launches, were turned out from it. In this enterprise, which is still far from having reached its zenith, we have a fitting example of the spirit which animates the new Japan. It has made up its mind not only to cut a respectable figure in the world diplomatically, but to be a great manufacturing nation; and it is on the fair road to the realisation of that ambition.

Politically the Japanese are working out their destinies on familiar British lines. They have a Constitution which embodies most of the principles of our own. They have a Lower House and an Upper House, and many of the arrangements which obtain in our own Parliament. An important point of difference, however, is that the principle of Ministerial responsibility has not yet been adopted. The members of the Mikado's Government may, and in fact do, continue in office, although an adverse vote has been recorded against them in the popular

chamber. The Ministers are appointed by the Emperor, and can only be displaced by the exercise of his authority. The position of independence in which office holders are placed has not altogether contributed to the stability of the Japanese Parliamentary institutions. On the one hand it has tended to encourage an unyielding attitude in Ministers; on the other it has led to the creation of an element of irresponsibility in the Opposition. Ministerial crises have been common incidents, and the country has been appealed to with a frequency which has been injurious to its settled interests. The fact that the place-holders are almost invariably drawn from one class—the hereditary aristocracy—has not helped to smooth matters. Indeed, it may be said that jealousy arising out of the monopoly of the sweets of power by the privileged classes is largely responsible for the incessant struggles which have convulsed the constitutional framework since Japan established its Parliamentary institutions fifteen years ago. The future will probably reveal some satisfactory solution of the difficulties encountered, which, after all, are only those which existed in this country until, by the process of evolution (perhaps it would be more correct to say revolution) we found firm footing on the basis upon which our Constitution now exists. Meanwhile, we can but

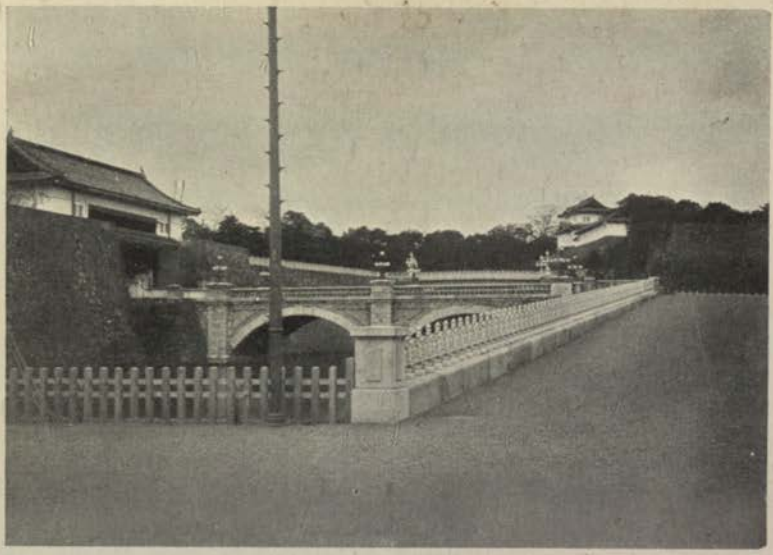
regard indulgently the efforts of the Opposition factions to work out the country's emancipation on democratic lines. The manifestations are occasionally irritating and even puerile, but they are not more so than might have been expected in an old country under an autocratic Government upon which had suddenly been grafted the free institutions of alien races.

During my stay in Tokio I naturally paid a visit to the Houses of Parliament, which are temporary buildings, destined to be replaced some day, no doubt, by ornate structures worthy of the new Japan. The two Houses are constructed on almost identical lines. Behind the President's chair in the Upper Chamber is the throne, but this is about the only feature which distinguishes it from the popular House. The model upon which the Chambers are designed is that of foreign legislative assemblies. The members' seats, each of which has a desk in front, are arranged in the form of a horse-shoe facing a raised platform, upon which the President's chair is placed, with, in addition, the Speaker's tribune and a bench for the official reporters. Placed on the two sides of the platform and facing the assembly are rows of seats for Ministers and permanent officials who have the right to speak but not to vote. Official reports of the proceedings are published in a Japanese Hansard,

TOKIO: THE MAIN STREET.

TOKIO: PUBLIC BUILDINGS.

[*To face p.* 36.



TOKIO: THE ENTRANCE TO THE IMPERIAL PALACE.

TOKIO: THE PARLIAMENT BUILDINGS.

[*To face p.* 37.

which for fulness and accuracy vies with our historic publication. As Parliament was not in session when I was in Tokio, I had not the opportunity of listening to a debate, but I was told that the proceedings are marked as a rule by courtesy and dignity, and that the speeches made are excellent in style and oftentimes marked by real eloquence. As a member of the oldest legislative body in the world, I could not help extending to this, the youngest, the best wishes for its future success.

It was with genuine regret that I took final leave of Japan. There was so much to interest, the people were so charming and hospitable, and life was so comfortable that I would gladly have extended my stay had not inexorable calls drawn me reluctantly onwards. I saw sufficient, however, to convince me that the new star which has arisen in the Far Eastern firmament is no meteor-like body, but a fixed orb which is destined to take its place in perhaps the greatest of constellations. Though intensely Asiatic in sentiment, habits, and modes of thought and expression, the Japanese have an extraordinary power of acquisitiveness and a not less remarkable capacity for turning to account what they have learned. A circumstance which differentiates them from almost every other Asiatic race is that their minds are original. A Hindoo or a Chinese can make almost exact imita-

tions of any article given to him, but if he is asked to improve upon it he would be hopelessly at fault. Inventiveness is a practically unknown quality in both India and China. This is not the case in Japan, or at all events to anything like the same extent. The Japanese have their engineers who produce independent designs, and their artificers who have their own methods of working them. As years go by and the effects of Western training on the mind of the people are more marked, the probability is that we shall have Japan making some contribution to the general stock of inventions. In any event she may be relied on to furnish an Asiatic adaptation of the products of the original minds of Europe and America. And not only may we look for this in the domain of trade and science; it will be shown also in the arts of Government. Asiatic civilisation does not lend itself entirely to the free institutions of the West. There are warring elements which decline to be reconciled, and though the general framework may be the same, the filling in of the details must involve many divergences if a satisfactory system is to be finally evolved. It is here that we may look for the display of the original bent of the Japanese mind. Japan will follow the West, but she will not be a slavish copyist. She will from her point of view improve upon our methods by dove-tailing into the main outline con-

trivances designed to harmonise with national sentiment and with the racial characteristics of the East. Nor is it alone on her own territory that the exercise of her peculiar talents is to be looked for. Immediately outside her own boundaries is an immense field for the reformer, and political not less than commerical considerations imperatively impel her to occupy it. In the regeneration of China she will find a work peculiarly suited to her native genius and worthy of her ambition. How she may address herself to this task, and in what manner she will turn to account the advantages which she will reap in the process of developing her system are matters which I shall have to discuss in a final chapter. Let it suffice for the present to say that in the pursuit of her aims she may be expected to display that steadfastness and acumen which she has shown in the present crisis in so marked a way.

Whatever the future may have in store, I do not think that we as a people have any reason to fear that the Japanese will be other than a friendly and allied nation. Gratitude is a comparative quality, and in the relations of Governments it is apt to be a diminishing force as the causes which have elicited the feeling recede into the distance. But Japan, apart from sentiment, has very good reason for standing well with us. We covet nothing that she covets; we do not fear her successes.

Upon the continuance of our moral support she must in almost any conceivable circumstances rely for a very long time, if she is to sustain no check in her onward march. All these circumstances tend to induce the belief that her attitude towards us will be one of entire friendliness, and that good feeling and mutual trust will be the permanent groundwork of the diplomatic relations of the two countries.

KOBE: NATIVE BOATMEN.

TOKIO: A PIPE-CLEANER.

[*To face p.* 40.

FUSAN: A STREET STALL.

FUSAN: A REST BY THE WAY.

[*To face p.* 41.

CHAPTER III

THE KOREAN TREATY PORTS — SEOUL — KOREAN CHARACTERISTICS — OFFICIALDOM — IMPERIAL CAPRICE

THE route to the Korean capital from Japan lies through the treaty ports. Excellent communication is maintained in normal times between Kobe and Nagasaki and Korea by lines of excellent steamers manned almost entirely by Japanese. On the boat on which I travelled—the *Negato Maru*—the only European member of the crew was the engineer. The cooking on board was exceedingly good, and the journey proved on the whole a comfortable one. Our course took us through the inland sea, the beauties of which we found to have been not in the least exaggerated. At Moji, opposite Shimonoseki, a most important strategical point which has figured prominently in the war despatches, we took in coal. A large tender brought the supply alongside, and afterwards it was transferred to the ship's bunkers by baskets through the agency of a chain of men stationed between the two points. The port is very heavily fortified, as from its importance

it requires to be, and it would prove a hard nut to crack for the strongest fleet.

It was at Fusan that we got our first glimpse of Korea. This is the nearest trading centre to Japan, and the most historic of the treaty ports. For centuries the Japanese have had intimate relations with the place, and a large and flourishing settlement attests its present importance in the eyes of the enterprising little people across the Straits. Its trade is a great and growing one, and it is no doubt destined in the future to be one of the most flourishing places in the Far Eastern seas, since it has been made the starting-point of the great line of railway which the Japanese have decided to construct to the northern limits of Korea. This enterprise was only projected when I was in Korea, but I have since learned that the works in connection with it have brought a great accession of activity to the port. A new municipal hall has been built by the Japanese, a waterworks system is being constructed, and the electric light has been installed. Meanwhile, there is in hand a great scheme of harbour reclamation, which when finished will provide valuable sites for commercial buildings. The Japanese, who do nothing by halves, have taken this historic settlement in hand with a definite idea that it shall be worthy of the position it will occupy as the most important link in a chain of ports stretching from Tokio to

the Yalu. Their prescience is likely to be thoroughly justified. In a perhaps not distant future the European traveller will journey without a break—it may be without a change of carriage—from his home in the West to this port, where powerful and rapid steamers will be in readiness to convey him in a few hours to Nagasaki.

Mokpo, the second place of call for us, is the newest of the treaty ports. It is little better than a village, and does not show many signs of enterprise. The harbour, however, is a good one, and the latest official reports indicate that its trade is increasing. Possessing, as it does, shipping facilities far in advance of those of which any other port in the country can boast, it must eventually come to the front, more especially as it is the natural outlet of the most fertile province in Korea. Wunsan on the east coast, Masampo on the south, and Chinnampo on the west are other open ports. They all have considerable natural advantages, but for the moment they are, as trading centres, almost entirely in the making.

In coasting down Korea I was struck with the absence of lighthouses. The navigation, as a consequence of this deficiency, was very difficult at night, and great care had to be exercised in entering a port. Recently, however, a complete system of lighthouses has been introduced under the super-

vision of a Japanese engineer who has had large experience of the work both in the United Kingdom and in America. When the installation is complete there will be no fewer than thirty-one lights at conspicuous points on the coast.

Chemulpo, the last place of call for the traveller who is proceeding from Japan to the capital, is a port which has already become world famous from its association with the opening dramatic event of war. It owes its importance more to its proximity to the capital than to its conveniences for shipping; for though there is an outer harbour with ample anchorage for ships of large burthen, the inner commercial harbour is small, and a tendency to silt up is likely to further circumscribe the area if artificial means are not adopted to keep it open. The place, however, is unquestionably destined for great things. It is already easily the first port in Korea. Its exports in 1902 amounted to £269,747 and its imports to £814,470, or about double those of Fusan, which comes second on the list of Korean ports in the matter of trade. The town of Chemulpo affords evidence of the commercial and diplomatic importance attached to the port. It is quite a modern creation, dating no further back than 1883, when, as a small fishing-hamlet situated on a muddy estuary, it was thrown open to foreign trade. Four settlements make up the new

CHEMULPO: FROM THE HARBOUR.

CHEMULPO: A STREET SCENE.

[*To face p.* 44.

CHEMULPO: A STREET SCENE.

CHEMULPO: THE GRAIN MARKET.

[*To face p.* 45.

Chemulpo. The Japanese and the Chinese have the two largest, next comes the native Korean location, and finally there is the area in which the European and American traders congregate. The last-named is under the control of a municipal council, composed of the Consuls, a Korean official, and three representatives of the landholders. Each consul has, as usual at treaty ports, jurisdiction over his own nationals. When I called upon Mr. Goff, the British Consul, on the occasion of my visit, I found him adjudicating on a case of alleged murder with the assistance of a jury of five. Everything seemed to be conducted on the most orthodox principles. I carried away with me from the court a most gratifying impression of the way in which British justice is dispensed in this out-of-the way corner of the world.

A distance of twenty-six miles separates Chemulpo from Seoul. Following the usual route, I proceeded by train to Nodel, and thence by a small tramway, pushed by Koreans, to Yongsan. Here I took the ferry across the river Han, and on reaching the opposite bank chartered a 'ricksha, which carried me to my destination—the British Legation. Since then a good bridge has been built across the Han and the railway has been completed to the capital, so that the journey is now made without a break.

Seoul is a large walled city, with, it is estimated, a population of two hundred and fifty thousand or more. Its outward aspect is that of a Chinese city, and its situation in a saucer-like depression, with high hills all round, is not unpicturesque. There are eight gates to the town, each surmounted by a double pent-house type of building, presumably for defensive purposes. The wall itself is over twenty feet high. It is built of stone, and is constructed in accordance with Asiatic principles of fortification. The area enclosed is much larger than that actually built upon. From the very unsuitable character of much of the vacant land for habitations, it is to be presumed that the object was to make the town more secure. Whether that be the explanation or not, the wall is now merely a useless obstruction : it would not be proof against the lightest modern artillery for half an hour. However, the integrity of the city, until a few years since, was as jealously guarded as if the defences were those of a Sebastopol or a Gibraltar. Every night at sunset the gates were closed and the keys were taken to the palace, or if the Chinese commissioners were in Seoul, they were handed to them. This, with many other singular customs, have now departed, never probably to be revived.

In more practical matters the city has also vastly changed for the better in late years. Improvements in

sanitation, the introduction of tramways, the widening of streets, and the general furbishing-up which has been given the place have completely transformed it from what it was even a few years ago. It remains, however, to the visitor a disappointing city. When the novelty of the first impressions has worn off, and one has become accustomed to the quaintness of some of the customs of the inhabitants, the feeling engendered is one of boredom. The shops, excepting a few of the newer establishments kept by foreigners, are of the poorest. Though Korea was the home of the far-famed Satsuma ware, and Seoul the birthplace of its maker, native art is now practically non-existent. In vain may the curio-hunter look for those interesting examples of indigenous work which in most instances he is able to take away with him from a country. Whatever there may be in the way of *objets d'art* has been imported either from Japan or China. The city is just a great monotonous waste of houses with a Western veneering, which assorts somewhat ill with the body upon which it is laid.

The royal palaces are the only structures with any pretension to architecture in Seoul. There are several of them scattered over a wide area, but the buildings which are usually occupied by royalty are two situated in a vast enclosure in the northern

part of the city. The one mostly favoured by the Emperor is known as the Old Palace, in contradistinction to the other building, which, though also old, was of later date. The latter structure, as it exists to-day, is in reality what it is styled, for the original palace having been burnt down in 1882, it was afterwards entirely rebuilt. A broad roadway leads up to the Old Palace, and access is gained to it through a massive gateway of characteristic Korean design. The actual palace consists of a congeries of buildings, the most important of which is the great Hall of Audience, a massive erection approached by a flight of steps and surrounded by a terrace. It is here that the great court functions take place. I had not the good fortune to be present at any of these ceremonials, but I was assured by those who had witnessed them that they were highly interesting and not wanting in a certain dignity. Not far from the Hall of Audience are the buildings of the Summer Palace, where the King's private apartments are situated. Some three years since the electric light was installed here under the supervision of an American engineer, and some quaint stories are still current in Seoul as to the attitude assumed by His Majesty towards the new illuminant. The royal *ménage* is a curious one. Indeed, much of the gossip of the Korean capital turns on the extraordinary intrigues which

SEOUL: ONE OF THE CITY GATES.

SEOUL: SOLDIERS PARADING.

[*To face p.* 48.

A KOREAN SOLDIER.

KOREAN POLICEMEN.

[*To face p.* 49

go on literally behind the curtain in this Far Eastern palace. Concession hunters haunt its ante-chambers, and for years a sort of pull-devil-pull-baker struggle has gone on between them with the officials as arbiters of the game. The principle which governs the proceedings is that much may be had for the asking, but nothing without payment. Ministers are not above taking a hand in the game; but the principal actors were Yi Yong Ik, the Finance Minister, and Lady Om, the leading lady of the Imperial harem. Between the two a pretty business was done, to their great monetary advantage. Latterly diplomatists have been busy in these back-stair regions, and higher stakes have been played for, with, we may confidently assume, not less benefit to the pockets of the members of the Imperial household. It is, perhaps, a condition of affairs by no means without parallel even in the modern annals of the East. But none the less it excites our wonder that a kingdom built on such foundations should have lasted so long as it has done. The fact indicates the staying power of even effete despotism when the mutual jealousies of powers outside combine to preserve it.

In and about the palace one catches many glimpses of the military forces of the Korean Empire. Like other adjuncts of that puissant entity, they are a subject of scorn rather than of

respect. The native Korean properly handled and under a regular system of government would, there is little doubt, develop into a splendid soldier, as he has just the qualities which go to make up the fighting man. But the ineradicable corruption and disorganisation of the administrative system under which he lives is an effectual bar to real efficiency. The men are to some extent trained on European principles, and they are armed with modern weapons of precision, but it would be impossible to place them in line against any disciplined troops. In fact, the Korean Army, though some seven or eight thousand strong, is a mere rabble, contemptible as an instrument of offence or defence, and only dangerous as an agency of disorder in times of trouble. The estimation in which it is held at Seoul by responsible foreign authorities is shown by the fact that on the outbreak of the present war the men were deprived of their ammunition. It was no doubt thought that the Korean capital would be the safer if its defenders were deprived of the power of mischief.

Having touched briefly upon some of the leading features of Korea as they are presented to the visitor from afar, I pass on to a more general survey of Korean life. As an appropriate preface to my remarks I may introduce the following amusing set of verses, which, though they have passed from hand

to hand amongst the European residents of Korea, have, I believe, never before appeared in print :—

KOREA, OTHERWISE CHO SEN.

(*The Land of the Morning Calm, or Morning Radiance.*)

There's a singular land far over the seas,
Which is known to the world as Korea,
Where there's nothing to charm one and nothing to please,
And of cleanliness not an idea;
Where a lucid description of persons and things
Quite baffles the readiest pen,
And stirs up strange qualms in the poet who sings
Of the far-away land of Cho Sen.

The houses they live in are mostly of dirt,
With a tumble-down roof made of thatch;
Where soap is unknown, it is safe to assert,
And where vermin in myriads hatch;
The streets are all reeking with odours more rife
Than the smell from a hyena's den;—
One visit is surely enough for one's life
To that far-away land of Cho Sen;—

Where the garments are made on a very queer plan,
And are something quite out of the common,
And women wear pantaloons just like a man,
Young men braid their hair like a woman;
The married man gathers his hair on the top,
In a knot much resembling a wen,
The female coiffure is a huge ugly mop,
In that far-away land of Cho Sen;—

Where the hats have a crown much too small for the head,
While the brim measures sev'ral feet round;
Where the principal fire is under the bed,
And the chimney's a hole in the ground;

Where the coolies can't work without singing a song
And must stop for a rest now and then,
While they snatch a few whiffs at a pipe three feet long
In that far-away land of Cho Sen ;—

Where foreigners flock from over the seas
To help the bland natives make money,
Where hives are well filled by Korean bees,
But the foreigner gets all the honey;
Where shopkeepers ought to be rolling in wealth
From the prices they charge one—but then
'Tis not at all likely they go for their health
To that far-away land of Cho Sen ;—

Where the king, in a manner becoming a prince
Is charmed with each fresh innovation,
And plays with post offices, steamers, and mints
At a grievous expense to the nation ;
Where guileful strangers big contracts have made,
But find, when they ask for their yen,
It's a very cold day when employees are paid
In that far-away land of Cho Sen ;—

Where those who escape never care to return
To that "Morning Calm" country again ;
Where there's nothing on earth that could cause one to yearn
For that far-away land of Cho Sen.

In this lively little poem, which has been kindly placed at my disposal by an old resident, are very happily hit off the leading characteristics of the country. It is a veritable land of paradox. At every turn you are confronted with strange contrasts ; on every hand your notions of the fitness of things receive sharp shocks. Even the contradictoriness of many of the features of the national

life of the Japanese has scarcely prepared you for the wonders of this "far-away land of Cho Sen." Though situated in close proximity to China on one side and Japan on the other, it resembles neither. It has, as far as it has been allowed, lived a life of isolation, and even temporary conquest has not stirred it out of its own chosen rut. Korea and the Koreans are, in fact, very much what they were centuries ago. They have not progressed and they have not retrograded; they have simply stood still, looking out on the restless world with a childish self-sufficiency which, while the current of international life surged in other directions, was a sufficient safeguard from violent change. A Government of phenomenal badness has helped to further stereotype the conditions of the country. Its rottenness and inefficiency long since reached the point beyond which it was impossible to descend. The people have become so accustomed to mal-administration that it seems to them the natural law, and they do not even struggle against it. If they cannot evade the subversive edicts of the official clique directed from Seoul, they submit to them with as good a grace as possible. Plunder is so common a rule of the country that Koreans have no incentive to effort. Poverty is their surest safeguard against oppression, and it is cheerfully accepted. So it happens that with many

natural advantages, including one of the finest climates on the globe, Korea is amongst the poorest countries in the world, measured by the ordinary standards of prosperity.

The Koreans themselves, apart from their Government, have been widely represented as a people of a low moral type. On a superficial view no doubt they give this impression. Slothful, dirty in their habits, easy-going in their morals, and markedly unstable in character, they appear to be peculiarly a "sunk people," to use a phrase common in our political life a century ago. But there is more than a suspicion that writers who have sketched the Korean, largely, of a necessity, from the vantage-point of the capital or the treaty ports, have done him an injustice. Those who have had intimate relations with the people in their homes away from the beaten track of civilisation, and have studied them closely under many conditions, give them a very different character to that popularly current. Their hospitality, good-humour, and politeness are all testified to, while a most emphatic denial is given to the charge of laziness. On the latter point the experience of the foreign mining enterprises supplies us with striking evidence. The natives most readily take up employment at the mines; so eager, indeed, are they for employment that there are always six or more candidates

for every vacancy that occurs. They are hard-working and most intelligent. Their aptitude for handling machinery is quite remarkable. After a not protracted probation they will take charge of engines, and tend them with a skill and an indifference to danger which inspire the utmost confidence in their employers. Such are their characteristics that a gentleman who has had wide experience in Korea as a mining engineer described them to me as a "brainy" people. He knows of no Asiatic race—and he has had business acquaintance with most—who are so eminently teachable and who are so prompt to apply the lessons they have learned. Under proper supervision, in his view, they are capable of great things. If they are shown the way and are sure of reaping the fruits of their labour, they will be found willing and able to take up almost any useful work. I am glad to put this view of the Korean forward, as it may serve to dispel misconceptions which are deeply rooted and which have had a good deal of influence in colouring our opinions of Far Eastern questions.

The vices of Korea, we may safely assume, are mainly the product of its Government. It is an autocracy of the feeblest and most servile type, backed by a bloated bureaucracy which sits like a vampire upon the heart of the country, drinking its life-blood. Justice, in the true sense of the

word, there is none, and there is only a semblance of law. The general administration is a travesty of government, as we know the term. The most elementary duties are not performed, and progress is an unheard-of phrase, excepting in cases in which outside influence supported by *backsheesh* has forced on the country some of the adjuncts of Western civilisation. It is, in fact, a land of "squeeze." That a people should show some symptoms of degeneracy in the presence of such a system is not remarkable. The stoutest moral fibre would give way if continually subjected to the corrosive influences of misgovernment so abysmal.

With so little to attract, Korea might have remained long in its anything but splendid isolation if the country had been geographically less advantageously placed. But it was inevitable, when Russia advanced her legions across the steppes of Siberia and intruded upon Manchuria, that it should become a bone of contention. One has only to look at the map to understand what its possession implies. Placed in a commanding position between the Japan Sea and the Yellow Sea, divided on the South from Japan by only a comparatively narrow strait, and with good harbours on its Western coast, it practically dominates the route to the Gulf of Pechili and Northern China. It would be wrong to say, perhaps, that the country which possesses

Korea will become the mistress of the Far Eastern Seas, but unquestionably no power can hope to wield undisputed supremacy which does not control Korean destinies. To Japan the exclusion of foreign influence from the peninsula is a matter of vital importance. An adverse power seated across the Straits of Korea would be a continual menace to her national existence. Hence it happened that Japan, at the very first symptom of Russian aggression in Korea, made her dispositions for resistance, and finally staked her all on a conflict with the mightiest military power in the world.

Korea, though one of the most ancient countries in the world—it dates its history back to the twelfth century before Christ—was until a few years ago one of the least known in Europe. Until a period a little more than a quarter-century since no foreigner was permitted to travel in the country. It would have been an absolutely closed book had not some venturesome French missionaries, carrying their lives in their hands, established themselves in several parts of the interior a good many years ago. Japan, however, can boast a long and intimate connection with this "Land of the Morning Calm." As far back as the year 1443 she, in agreement with the Korean authorities, established a settlement at Fusan. A century later her conquering hordes under Hideyoshi (or Taikosama) swept over the

country like a desolating hurricane, inflicting upon the unfortunate inhabitants a punishment the effects of which are remembered to this day, and have lent a colouring to the modern relations of the two peoples. We hear now of the *rapprochement* of the two nations in the presence of the Japanese successes, but it is a union based on fear rather than on sentiment. Much as the Korean dislikes the European, he detests the Japanese a good deal more. If the Koreans were not so handicapped by their upper classes, their animosity might be expected to be an important factor in the future adjustment of the country's relations with outside Powers. As it is, it will probably be rapidly driven under the surface by the force of circumstances, more especially if, as appears likely to be the case, the pressure of Russian authority is removed or greatly modified.

If Korea was long withdrawn from association with the outer world, it must be admitted that since its opening to foreigners it has atoned for its old exclusiveness. Courted by all the great Western Powers, cajoled by China, and threatened by Japan, it has stood continuously in the last few years in the fierce light of international publicity. While diplomatic representatives have struggled and squabbled within its gates, foreign traders have invaded its ports and flooded the interior, reaping a golden harvest either as *concessionaires* or in

the more humble guise of commercial representatives. Railways and enterprises of a kindred kind, as we shall have occasion to show, have been established, an army of a sort has been created, a police force organised, and generally there has been a stirring up of old bones, with results which have thoroughly aroused the country from its long sleep. There are some who think that the pace is too rapid to last; there are others who consider that the poverty of the country will be an effectual barrier to progress when in due course Korea is withdrawn from the unpleasant position of prominence into which it has been thrust by recent events. But it may prove that both views are wrong. Left to themselves, the Koreans would probably soon slip back into the slough in which they have existed for many centuries. If, however, they come under the influence of a more energetic power like the Japanese, they may yet show that they are capable of attaining to a respectable place amongst Eastern nations.

As to the resources of Korea, we must not too readily assume that it is a poor country. Though it is not of remarkable fertility, it has great expanses of good agricultural land which, with improved methods of tillage, might be made to yield heavy crops. It has, it is believed, vast mineral resources, the development of which is in its infancy; and in

its splendid forests it has an asset the value of which Russia has been quick to appreciate. The natural presumption is that the real opening up of Korea, which must follow the war if Japan is successful, will work a change in the position of the country, both as regards the habits of the people and the expansion of its resources.

In entering Korea from Japan, as I did, the traveller cannot fail to be struck with the marked difference there is between the characteristics of the two countries. Racially the Japanese and the Koreans have a good deal in common, but here the similarity ends. In manners, dress, and habits the diversity is most striking, though only a hundred miles of sea separate the two peoples. In Japan everything about the houses is scrupulously clean; in Korea the domestic surroundings are as markedly dirty. The Japanese are a thrifty, industrious race; the Koreans are conspicuously thriftless and easy-going, and they add to these defects a limited sense of patriotism which further separates them from their neighbours. There are many monuments of antiquity in Japan, and beautiful buildings associated with the religious life of the country. In Korea, outside a few centres, there are few remains indicative of the existence of an old civilisation. The points of difference might be multiplied indefinitely, but I will not weary my readers by a

SEOUL: A STREET SCENE.

KOREANS AT DINNER.

[*To face p.* 60.

A KOREAN LADY.

A KOREAN NAVAL OFFICER.

[*To face p.* 61

further enumeration. I must, however, refer in this connection to what is after all the most marked feature of contrast between the two countries to the eye of the visitor—costume. The colour and variety and daintiness which add such a charm to the aspect of a Japanese gathering are replaced in Korea by a monotonous persistence in the selection of white. Almost without an exception every single person one meets is clothed in white. The explanation given me of this singular idiosyncrasy is that white is the mourning colour, and that as it is customary to mourn a queen for three years, it was found convenient some considerable time since, after the death of a popular queen, to perpetuate the custom, the arrangement appealing to the innate supineness of the Korean as well as to his lack of wealth. Whatever may be the truth of this, the prevalence of white costumes conveys a very striking impression to the new-comer. The novel effect is heightened by the association with the costume of a hat fashioned something on the lines of the old Welsh bonnet. It has an immensely broad brim, and, being tied under the chin with black ribbons, gives a very whimsical look to the male wearer. Hats play a very important part in the social economy of Korea Mr. Campbell remarks, in his monograph previously referred to, that it would take a volume to exhaust the subject. The monks have a collection of their

own. Their travelling hat is a large umbrella-like framework of cane, a foot and a half in diameter at the brim, and closing to a sharp point at the top. The whole is covered with smooth rush matting, bound at the brim into a hexagon by a narrow edging of white cotton, and fitted inside with a circle of cane to clasp the head. Nuns may often be seen trudging along, staff in hand, and their hats are even more striking: a wisp of fine, flexible straw, elaborately bound at one end, cut sharply off at the other, so as to make it a foot long, and quaintly dumped on the crown of the head. The courtiers also have their distinctive hats. They are of huge dimensions—in some cases two or more feet in diameter—and are made of clay!

An amusing story accounts for the selection of this extraordinary material for the fashioning of headgear. It is related that some years since the ruler of the day was greatly annoyed at the habit his functionaries had of whispering to each other during the progress of the State ceremonial; so he hit upon the device of furnishing them with a hat which would make these irritating exchanges of confidences difficult, if not impossible. He certainly effected his object, for it would pass the wit of the most inveterate gossips to "put their heads together" while these fearful and wonderful contrivances adorned them. An Imperial whim is

held to account for another conspicuous feature of the attire of the official Korean—a band of woven horsehair which fits tightly round the head. The origin of this curious adornment is attributed to a desire on His Imperial Majesty's part to restrain the intellectual powers of his servants. According to his notion, brains might expand if not thus held in. It is not uninstructive to know that the Emperor does not deem this adornment necessary in his own case.

Yet a further example of exalted caprice is furnished, if tradition speaks truly, by an amazing custom which astonishes the visitor from outside. I refer to the baring of the breasts of women. The Korean female wears an attire which effectually covers every portion of the body excepting that which has been indicated. The practice appears the more extraordinary as the Korean woman is most careful to conceal her face if a male stranger approaches. Her attitude is like that of the ostrich, which puts its head in the sand because it believes that by so doing it will not be seen. The story goes that the custom is attributable to a palace intrigue. One night a male got into the Royal presence disguised in the dress of a female, and the intruder being discovered, the king issued an edict that henceforward all women should go about with bare breasts, so that there might be no

sort of doubt about their sex. These stories might be dismissed as mere malicious inventions if the Korean Court were not notoriously constructed on lines which give to some of its doings the character of Savoy opera. Such being its tendencies, there is nothing inherently improbable in them.

A circumstance which lends some amount of support to the last related story about the attire of Korean women was the prevalence, until quite recent times, I believe, of a practice of shopping hours for females. At a particular hour a bell was rung, as a signal that all men were to clear away from the streets, in order that the softer sex might make their perambulations without encountering the masculine gaze. When they had completed their purchases the bell was again rung, as a signal that the streets were once more opened to general traffic. This singular custom points to the fact that at one time the Korean women were as rigidly secluded as females are in Mohammedan countries. Therefore, the sumptuary regulation referred to may not, when introduced, have seemed so outrageous as it appears to-day. I should state, however, to avoid misconception, that the better class Korean women do not appear in public even at this day.

Before taking final leave of this interesting question of Korean social customs, I may mention a

curious point bearing on the attitude of the Korean men towards their women-folk. This is, that the members of the softer sex are nameless. A woman is generally known as the "preen" of a certain man, or his mother or sister. Before marriage she has some nickname or pet name. But this is the extent of the recognition of the individuality of the female in "The Land of the Morning Calm."

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CHAPTER IV

KOREAN ARISTOCRACY—RELIGION—NATIVE SUPERSTITION—MISSIONARY EFFORT—POLITICAL HISTORY OF KOREA—AN APPLE OF DISCORD—JAPANESE INFLUENCE

ONE has not to reside in Korea long to become aware of the fact that, as in the countries of the West, there are gradations of society with a rigid dividing line between each. Mr. C. W. Campbell, in his official report before referred to, which, though made as far back as 1891, yet remains one of the best authorities on native life in Korea, gives some most interesting details on this subject, which I make no apology for introducing here, as they so clearly represent the position of affairs. Society, we are told, is divided theoretically by the Koreans into three broad classes: the "Sang," or upper; "Chung," or middle; and the "Ha," or lower. In reality the gradations in the social scale are endless, as in most countries which are civilised or semi-civilised. The "Nyang-pan" represents the upper class of Korean society. The term "Nyang-pan"—literally, two orders—originally indicated rank of a certain degree

in either the civil ("Tong-pan") or military (So-pang) service only; but it is now applied to the descendants of all important officials, no matter whether these have acquired rank or not. Ancestry, of course, accounts for a great deal in such a class. At one time those alone who were descended from the officers of the early kings of the present dynasty were held to be proper "Nyang-pan." In process of time later arrivals acquired the title, but the old families have never failed to look on such as interlopers, to be treated with scant courtesy unless they are rich and influential. The upper ranks of officialdom, are, in fact, the peerage of Korea, and they are open only to members of "Nyang-pan" families who are powerful at Court.

The "Nyang-pan" enjoys many of the usual privileges of nobility. He is "exempt from arrest, except by command of the Emperor or the governor of the province in which he resides, and then he is not liable to personal punishment except for the gravest crimes, such as treason or extortion. He wields an autocratic sway over the inmates of his house, and has full licence to resent any real or fancied insult levelled at him by 'Ha-in' just as he pleases. At the same time, the 'Nyang-pan' lies under one great obligation, *noblesse oblige*; he cannot perform any menial work, or engage in any trade or industrial occupation. Outside the public service,

teaching is the only form of employment open to him. If he seeks any other, he sinks irrevocably to the level of his occupation. There is no law laid down on the point. The penalty is enforced socially, and is part of the unwritten code of 'Nyang-pan' etiquette. These privileges and obligations have naturally influenced the character of the class, so that the officeless 'Nyang-pan,' no matter how poor, is proud and punctilious as a Spanish hidalgo, not above asking favours with the most shameless effrontery, yet keen to resent the slightest shade of disrespect from an inferior.

"To his equals the 'Nyang-pan' is always courteous and polite. With them he bandies jests with the greatest good-humour, and exercises a great deal of judgment in his demeanour towards older persons and those who are entitled to his respect. In general, foreigners find that Koreans of this class are well-bred people, endowed with good taste and tact, and polished in their manners and conversation. Towards 'Ha-in,' however, the 'Nyang-pan' is popularly supposed to behave with great injustice and cruelty. No doubt this is true in very many instances, but, so far as my observation goes, I should say that the reports current on the subject are exaggerated.

"The income of a well-to-do 'Nyang-pan' generally proceeds from estates in the country,

either in the shape of produce or of rent paid in money or kind by the tenants. Fuel, represented by brushwood and grass cut from the uncultivated hills, also comes from this property of his, and rice and fuel complete the list of Korean necessaries of life, as well to the 'Nyang-pan' as to the peasant. The poorer 'Nyang-pan,' and their name is legion, eke out a threadbare existence as tutors, or hangers-on in the bureaux of men in office."

To these informing notes of Mr. Campbell I may add some facts which were brought to my notice in travelling through Korea. One story I was told related to an English traveller who, for the purposes of a tour up country, was able to engage as his cook an official who acted as interpreter to the Emperor of Korea. Another tourist, a friend of mine, employed a Korean nobleman to go a journey into the interior with him in the capacity of interpreter. He was quite content to take office, but he stipulated that he should never be asked to carry parcels. His pride of birth did not stand in the way of his making a pressing request to be supplied with a handkerchief, and he was not content until my friend had purchased one for him. To our Western notions there seems something particularly incongruous in the idea that noblemen should compromise their dignity by this polite form of begging, but the

Korean aristocrats have no sense of the social shame entailed by placing themselves under obligations. It is a common thing for them, I was told, to make open requests for loans of comparative strangers. Nor are they a bit disconcerted when it is mildly pointed out to them that such conduct is hardly consistent with their position in society.

The "Nyang-pan" is one of the curses of Korea. That he "toils not, neither does he spin," is a small matter compared with the influence for evil he exercises on an imitative race. As the "Nyang-pan" deems labour in any form a degradation, it has become the highest ambition of those of a lower social strata to be in a position to emulate the lazy habits of the caste. Thus the great confederacy of drones has been swollen to huge dimensions, to the national detriment.

Religion is not a strong point of the Koreans. They are nominally classed as Buddhists, but their Buddhism is of a degraded type, and even at that has slight hold on the people. The exponents of the faith are little esteemed by the mass of the population. It may be said, indeed, that the tonsure is held in absolute contempt, at least by the higher classes. Nor is it surprising that it should be so when we find the manner in which the priestly ranks are filled. The monks are either sons of parents who in infancy have got rid of them, owing

A KOREAN NYANG-PAN (ARISTOCRAT) AT HOME.

[*To face p.* 70.

KOREAN OFFICIALS.

THE EMPEROR OF KOREA'S FATHER.

[*To face p. 71.*

to the pressure of poverty or because they are weakly, or they are adults who have been allured by the attractions of a lazy, secluded life on the beautiful slopes of the Diamond Mountains, where the Korean hierarchy has established its monasteries. "So well," says Mr. Campbell, "are the attractions of the monastic life recognised in Korea that it is quite a common thing for parents to visit the temples in search of sons who have disappeared without apparent cause. The 'Pang-chang' of one of the Ch'ang-an Sa shrines was discovered by his poor old mother in this way after years of absence, and his vows being irrevocable, she sought and was accorded an asylum in the lay quarter."

The monks as a class are singularly ignorant. "Few of them," to quote Mr. Campbell again, "know much of Buddhism or its history, and none could make any pretence to explain intelligibly the purport of the books they use at their services. The pronunciation of a few constantly recurring Sanscrit and Thibetan syllables are the stock-in-trade of all, though many possess a respectable knowledge of Chinese, which is the Korean embodiment of everything we mean by the word 'education.' One would look far for the remotest tinge of religious fervour amongst the dull, cadaverous creatures who predominate in most monasteries. On the whole, the shrines themselves are not wanting in the im-

pressiveness characteristic of holy places ; but whatever effect this might be calculated to have on the minds of devout persons must certainly be dissipated by the perfunctory mummery which is dignified with the name of worship. *Bonâ-fide* pilgrims in search of spiritual comfort are rare ; I only came across two."

I had not, unfortunately, during my stay an opportunity of visiting the Diamond Mountains and seeing the Buddhist priest at home. But those who had made the journey assured me that the experience was one of singular interest. The scenery in the vicinity of the monasteries can scarcely be surpassed anywhere. Nature there is in her happiest and most impressive mood. The monasteries look out on a glorious landscape of valleys and forest-clad mountains, the whole forming a *coup d'œil* of extraordinary attractiveness.

The Koreans are by no means unsusceptible to the influences of this lovely spot. Periodically the wealthier classes go out from Seoul to the monasteries to feast their eyes on the magnificent scenery, and to make their *devoir* to the spirit of beauty which broods over all. This nature cult is about the only sincere element of religion there is in the Korean. He is a superstitious animal, and in the brooding silence of the great gorges and the black depths of the mountain forests his imagination conjures up visions of the supernatural

forces which have their home there. His faith is a form of demonology. All his life's actions are coloured by his belief in the potency of the evil spirits with which in his fancy he invests himself. At no time is his respect for these maleficent agencies greater than when death enters the household. Then the whole family wear a piece of cloth over their mouths to prevent the dead relative's spirit from entering the body. A morbid horror of poor mortality is manifested in the character of the mourning observances. I was told when in Seoul of the case of a Minister who was obliged to desist from seeing his dead son because if he had done so he would not have been allowed to have audience of the Emperor for three months. With such views in the ascendant, we need not be surprised at the moral degradation of Korea and at the feebleness of its national life. Nor is it remarkable that the country since its opening should have attracted the attention of European and American missionary societies. There are now many organisations at work throughout the peninsula. The Roman Catholics have a very flourishing mission, with thousands of native adherents. The English Church, though much later in the field, has also firmly established itself, while from America, Canada, and Australia missionaries have also been sent to take part in the work of

evangelisation. Their operations were marked in early years by outbreaks of native hostility which called for the intervention of the Powers. But a different spirit now prevails.

In no Eastern country probably is missionary work carried on under safer conditions or with a greater prospect of success. The people, naturally good-tempered and kindly, respond readily to the influences, social and religious, which are brought to bear upon them, and place no difficulties whatever in the way of the proselytising. The fact that they have practically no faith makes the missionary labours the easier. Not only is their "open mind" receptive, but it is quite free from the fanaticism which in the Chinaman makes shipwreck at times of the missions. I am told that the form in which the proselytising is best appreciated is when it is presented in a medical guise. The natives have an immense respect for the skill of the Western physician or surgeon, and they flock in great numbers to centres where the spiritual teaching is supplemented by professional assistance in matters affecting the health of the body. One American medical missionary at Ping-Yang, the old capital of Korea, who makes a speciality of eye diseases, which, by the way, are very prevalent in the country, has made a great name for himself. His power to restore sight to those who, to all intents and

purposes, were blind has worked upon the imaginations of the ignorant Koreans, and has secured for him a feeling of respect which verges on reverence. On such congenial soil the seed sown cannot but be abundantly multiplied, more especially when the country has once more settled down after the war.

The political history of Korea, especially in most recent times, is a tangled web of intrigue and disorder which it would be wearisome for me to attempt to unravel even if I had sufficient inner acquaintance with the life of the Korean Court to attempt the task. I may, however, indicate a few of the main points in the story for the better elucidation of what I have written and what will appear in subsequent chapters.

Though European diplomacy has only in the last two or three decades interested itself in the affairs of Korea, the country has for many centuries been an apple of discord, owing to its geographical position between Japan and China. Alternately these countries have had ascendency in Korean affairs in proportion to the extent to which each was able to assert itself. Japan's connection goes back to the third century, when a force under an Amazonic empress invaded the country, and at the point of the sword extorted an unwilling submission. The connection thus

formed continued almost unbroken until the end of the fourteenth century, when the establishment of the Ming dynasty on the Korean throne brought China upon the scene. Her influence soon became strong and eventually paramount. Japan, however, was not to be ousted from her privileged position lightly. She organised the great expedition under Hideyoshi, previously referred to, and for six years the invaders swept and re-swept the country from end to end, finally leaving behind them bitter memories which, as has been stated, linger to this day. Following this blighting campaign, there was a protracted interval, during which the relations between the two countries were broken off. Thereafter Japanese influence was re-established, but not in its former strength. The Chinese tie was maintained, and Japan had to content herself with the revival of a system, earlier followed, by which tribute was paid by an annual mission sent to Tokio. Gradually this custom lost force, until it died out altogether in the fourth decade of the last century. Through the medium of a mission despatched in 1868 to Seoul to announce the resumption of full sovereignty by the Mikado, an attempt was made to re-establish the old protectorate. But the invitation of the Japanese Court met with an emphatic refusal. Nor were two subsequent efforts directed to the same end more successful.

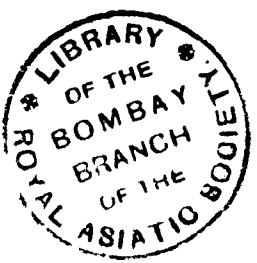
The Japanese were rebuffed, but not defeated. They discreetly bided their time. Their opportunity came in 1875, when, a Japanese man-of-war having been fired on by the Koreans from the island of Kanghwa, the Mikado's Government extorted from the Government at Seoul a treaty which contained valuable provisions, not the least of which was an affirmation of the independence of Korea. A subsequent convention, concluded in 1882, with Korea strengthened the foothold secured, and Japan further scored heavily in 1885, when she arranged with China the convention of Tientsin, under which the two Powers entered into a mutual agreement to withdraw their troops and not to send an armed force into Korea in future without giving previous intimation to the other. From this period the efforts of the Japanese were directed to the extension and consolidation of their power in the country. It was a struggle between Japanese statecraft and Chinese guile, with Korea acting the part of *corpus vile*. It ended in the Chino-Japanese War, with all its chain of important consequences.

How the Japanese successfully drove the Chinese out of Korea and followed up their success by occupying Port Arthur and Wei Hai Wei is an over-familiar tale which I need not recount. It is equally unnecessary, for the purposes of this brief sketch, to outline the subsequent events to Japan's

diplomatic eviction from the Liaotung Peninsula and Russia's installation in her place; to the occupation of Manchuria and to the Russian encroachments on the Yalu in association with a policy of strenuous intrigue at Seoul. All that need be done is to point out how profoundly the course of Korean history has been altered by this series of events. From being merely the battle-ground of the two rival Asiatic empires, Korea became the pivot upon which the whole international policy turned. Japan and Russia were the actual combatants in the new duel, but behind each was a separate grouping of great Powers keenly interested in the final adjustment of the dispute.

The outbreak of war between the two protagonists in the second week in February put an end to an intolerable situation. The result is still in the womb of time, and I shall not venture to anticipate the future. But it may be of interest to record some facts acquired from a reliable source which show the thoroughness with which Japan prepared for the crisis. At least two years since, observant people in Korea noticed an exceptional irruption of Japanese into the country. They came mysteriously in all sorts of guises, and they penetrated to every part of the country. Many of them are believed to have been expert surveyors commissioned to map out the country and supplement information

already in the Japanese archives; others were men whose duty it was to note the amount of supplies available in particular districts. The greater number were soldiers specially commissioned to prepare the people for the impending invasion of the Japanese host, and, if necessary, to act as an advance guard of the main body. No fewer than forty thousand of these agents are credibly reported to have been sent into Korea, and their presence there helps us to understand to some extent the serene confidence with which Japan embarked upon the contest with her mighty rival. We also gather from these facts a vivid insight into the intense absorption of the Japanese in Korea, and their dogged determination at all costs to keep it free from foreign intrusion.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CHAPTER V

KOREAN TRADE — RAILWAY DEVELOPMENT — OPENINGS FOR COMMERCE — NEW INDUSTRIES — KOREAN CURRENCY — TELEGRAPHS — BRITISH SHIPPING

THE question of Korean trade is one of exceptional interest to all the great commercial nations, and not least to ourselves as the predominant trader in the Far Eastern markets. With a population which, according to the latest official accounts, is estimated at ten millions, Korea obviously offers an exceptionally good opening for enterprise, since it is not a manufacturing country to the smallest extent and must import almost everything which it requires in the way of clothing, machinery and the equipment needed in the development of the country. Until a little more than twenty years ago it was an absolutely close preserve for Chinese and Japanese merchants, who supplied all that was demanded by the inhabitants in satisfaction of their modest needs. The opening of Chemulpo, Wunsan and Fusan as treaty ports made a breach in the barriers raised against the

A GROUP OF KOREANS.

[*To face p.* 80.

A KOREAN HAWKER.

KOREAN WOMEN.

[*To face p.* 81.

outside world; and the addition of Chinnampo, Masampo, Mokpo and Wiju to the list of recognised trading centres accentuated the movement in the direction of unrestricted commerce. The foreign trade of the country has increased steadily year by year, until in 1902 the imports and exports amounted to the high aggregate of £2,745,346. This is a respectable amount for an Eastern country which is regarded as a poor one, but it far from represents the true potentialities of trade under settled conditions and in the presence of real progressive administration. I may go further, indeed, and say that the returns now are but a feeble indication of what they may be in a future which is not far distant, assuming that the hand of war is not laid too heavily on the country. The fact is that Korea is even now practically virgin soil for the trader. A country largely without roads or regular means of communication outside the coast districts, and yet possessing a fine climate, considerable natural resources, and a large and docile population amenable to the influences of civilisation, it offers openings for trade enterprise to a remarkable extent. How far it will be possible for Western commerce to avail itself of these will depend largely probably upon the policy of the victor in the struggle now proceeding; but in almost any conceivable circum-

stances there must be a great impetus given to all the special departments of business which cater for the needs of the China markets.

At present the one great and crying need of Korea is railway communication. As things are, on the one hand, the great agricultural industry, which gives employment to more than 70 per cent. of the people, languishes because it is impossible to find markets for the surplus stock and produce of the interior ; and on the other, trade misses some of its best markets by reason of the fact that goods cannot be forwarded to possible customers excepting at an impossible cost. The Japanese, with ready intuition, have grasped the situation completely. Railway extension has been a leading, it may be said the cardinal, feature of their Korean policy. Piece by piece they are building up what promises to be a splendid system designed to unite all important points by one life-giving steel band. Their first venture was the short line connecting Seoul with Chemulpo. This railway was originally an American concession. The rights were sold to Japan, who turned them to account in business-like fashion. Under the auspices of the Mikado's Government a company was formed with a capital of 2,500,000 yen (about £250,000) to construct this all-important line between the capital and the coast. Of the amount, 700,000 yen only

was subscribed capital. The remainder was a loan free of interest from the Japanese Government, to be repaid out of surplus profits after the shareholders had received a dividend of 5 per cent. The enterprise has proved an excellent bargain for all concerned. Under a judicious system of low fares a heavy traffic was speedily built up and in 1900—the latest year for which I have returns—the profits were sufficient to pay a dividend of 4 per cent. on the total capital.

This pioneer railway was the foreshadowing of a far more ambitious scheme in the shape of a line starting from Fusan and running through the heart of the southern portion of the peninsula and up the west coast to Seoul. Several leading local centres are embraced in the project; but its most important advantage is that it supplies a direct and speedy means of communication between the Korean and the Japanese capitals. When the work is complete the traveller will be carried from Chemulpo or Seoul to Tokio in forty-four hours, as against the four or five days now consumed by the journey. The line, like its smaller predecessor, though nominally a private concern, is actually a Japanese Government affair. The concern is capitalised to the extent of £2,500,000 or £3,000,000, fully paid up, and it is operated on much the same conditions as the Seoul-Chemulpo line, which, by the way, it

has absorbed. Commenced in 1901, and rapidly prosecuted with a view, doubtless, to contingencies which have since arisen, the scheme is now well in hand. It will probably be of immense service in the occupation by the Japanese of the southern districts of their new protectorate, and possibly may help in the transmission of supplies to their army in the north.

The "policy of peaceful penetration" has, however, not been allowed to end with this notable enterprise. A body of French *concessionaires*, at or about the time that the Seoul-Fusan railway was undertaken, secured the right to construct a line from the capital to Wiju at the mouth of the Yalu, *viâ* Ping-Yang. For a time the enterprise languished for want of capital, and a Russian financier, backed, no doubt, by his Government, came forward with an offer to take over the responsibility. The Korean Government, prompted, we may assume, by the astute Japanese, refused, however, to allow the offer to be entertained, on the ground that they themselves contemplated undertaking the work. Subsequently there were some mysterious negotiations, culminating, according to the latest accounts, in the vesting of the control either directly or indirectly in the Japanese Government. Thus the power which aspires to be paramount in Korea has got into its own hands the

whole of the railway enterprise of the country, and by so doing has laid the foundations of a system which must inevitably constitute a valuable element in the consolidation of its power in Korea, and at the same time furnish an important means of land communication between Japan and the Chinese mainland.

In the construction of these lines British manufacturers are playing a leading part. The rails are supplied by the Barrow-Hematite Company, and other portions of the material have come from Great Britain. Some early orders for locomotives went to America, but only because British manufacturers were unable to supply them within a reasonable time. More recently other orders have been placed in Sheffield. In the long run, probably in this department, as in others, the trade of this country will benefit by Korean railway development as the superior endurance of the British type of locomotive is recognised, and the Japanese are thoroughly well aware that quality is of the first importance in such matters. It must be remembered, however, that our manufacturers have powerful rivals in the field and that if orders are to be secured, there must be no missing of chances. The country which first gets a footing in a market obtains a substantial advantage which it is not always easy to combat, no matter how superior the goods offered by the late comer may be.

Naturally in the case of Korea there are few data upon which to build theories as to trade possibilities. Commerce, as we understand the term, is in its infancy, and the only available information is contained in the customs returns, which in some respects are not too reliable, owing to the loose methods of Government. Such as they are, the statistics, however, make it perfectly clear that for Lancashire cotton goods Korea offers an excellent market. The character of national dress necessitates an extensive use of the finer sorts of cotton manufactures such as are classified under this description, and British productions well hold their own in the face of strong Japanese and German competition. When money circulates more freely, as it will do when the political atmosphere clears, a great impetus, it may be anticipated, will be given to this branch of trade. Not less strongly will be influenced the market for the smaller accessories of agriculture. The natives are now wedded to old implements and old methods, because they have not the opportunity or the means of purchasing Western inventions. Their appliances are now of the most primitive and labour-wasting type. On this point let Mr. Campbell speak from the fulness of his knowledge :

"A plough is used to till the ground, and a huge shovel, wielded by three or five men—one

guiding it by the long handle, the others on either side straining or jerking it with ropes attached to the blade—to break turf. The other implements in common use are a sharp-pointed hoe, which fills the place of spade, hoe, and shovel, a reaping-hook, a wooden barrow, and a bamboo rake. Rice is threshed by seizing a wisp in both hands and beating the grain out over a log or board; or, in the case of poor people, each head is taken separately, and the ears scraped off with a knife. Other cereals as well as beans and pulse are dealt with by flails, the threshing-floor as often as not being the public road. Winnowing is done by throwing the grain up in the wind. The hulling of rice is accomplished with a stone quern, as is the grinding of flour. For these purposes the 'Pang-a,' worked by the hand, by the foot, or by water, is also used. The hand 'Pang-a' is a wooden mortar, usually 2 ft. of tree trunk hollowed at one end, in which the grain is pounded with a heavy iron hammer. In the foot 'Pang-a' a weighty timber, fitted with a wooden peg for a pestle, is so balanced that a slight pressure raises the peg end a few feet above a rough granite mortar, which is bedded in the ground to receive it. The 'Mul' or water 'Pang-a' is the same instrument provided with a trough, into which a runlet of water from the nearest stream is diverted; when full, the trough

descends, empties, and the pestle then falls with considerable force on the grain beneath. In some places one sees as many as a dozen of these 'Mul-pang-a' worked by the same stream."

In this interesting passage we are afforded a vivid glimpse of the rude methods which obtain in Korean agriculture. Hitherto they have served all the purposes of the native with his limited aspirations and his not less limited market. But under the stimulating influence of prosperity, following upon the extension of railways, the Korean will develop new wants which he will find it possible to satisfy. Such things as milling machinery, pumps, and steam engines will then come well within his ken; and it is even conceivable that his natural curiosity and love of novelty will carry him so far as to patronise the agencies which minister to the refinements of civilisation in towns where there is a Japanese or foreign element to give the lead.

How thoroughly the Korean is able to appreciate the most modern creations of the West is shown by the history of the electric tramway in Seoul. When the enterprise was first started it was regarded almost in the light of an invention of the evil one. The accidental running over of several children confirmed the early impression. The Koreans forthwith rose in their wrath and attempted to make matchwood of the cars. They did a good

deal of damage before the riot was quelled, but ultimately they sullenly acquiesced in the resumption of traffic. Soon they discovered that the tramway had its attractions. The cars were increasingly patronised, until it was quite a common thing to see heavy freights of natives doing the grand tour of the city. Now I am assured by a recent visitor to Seoul the inhabitants spend a greater part of their earnings in the (to them) fascinating amusement of riding about the streets. The cars are, it may be stated, in charge of natives, who make admirable drivers. They are intelligent and thoroughly careful, and are, moreover, civil and obliging.

It will, I think, be of interest to watch the process of civilisation upon these people. They have much of the natural quickness of the Japanese, and are so eminently teachable that with proper guidance they may reach a high stage of development. I have quoted in an earlier chapter the opinion of a gentleman, who is intimately acquainted with their characteristics, that they are a "brainy" people. I may add here that their past shows that they have the gift of originality. The creation of the Satsuma School of Pottery is only one of the achievements traditionally placed to their account. It is claimed for them, with what amount of truth I will not pretend to say, that they practised the manufacture of gunpowder before the process was known to

the Chinese. They are also said to have been the first nation to use the ironclad in marine warfare. Their protected "man-of-war" was, it is true, but a native barge sheathed with iron in order to more effectually cope with Chinese junks, against which it was pitted in some warlike operations about a century ago. Still, the idea showed that the people were endowed with more than common inventiveness, and it is reasonable to suppose that this quality has not been entirely eradicated by the deadening influences under which they have so long lived.

I have wandered somewhat from the theme of my chapter, but it seems to me that the question of the intellectual capacity of the Koreans has a not unimportant bearing on the prospects of trade in the country. Though there are, as I have said, no manufactures in Korea now, it is clear that there exists, in the abundance of cheap and intelligent labour which the peninsula supplies, ample material for the building up of industries under foreign tutelage. A beginning in this direction has actually been made by the starting at Chemulpo of an enterprise for the manufacture, from a blend of American and Korean tobacco, of cigarettes of three kinds. It is a British concern, registered at Hong Kong, and employs nearly a thousand hands. The machinery (I give these particulars from the Con-

sular report) is capable of turning out a million cigarettes per diem. So far, the export duty of 5 per cent. enforced by the Government has militated against the success of the company's operations; but in spite of that, the business done is an increasing one and there is every hope that the plucky venture will firmly establish itself. If it does, we may be sure that it will not long stand alone. Korea is well situated for the production of tobacco and, with a proper system of cultivation and modern methods of preparing the goods for the market, it might be able to carve out a distinct place for itself amongst the tobacco-producing countries of the world.

A heavy handicap to Korean trade exists in the anomalous condition of the currency of the country. The amazing Government, which is ready to put up to auction the highest interests of the nation, some little time since, for temporary financial advantage, conceived the brilliant idea of establishing a nickel currency as a substitute for the "cash" (small shells) which hitherto had served all the modest requirements of the inhabitants. Acting upon its inspiration, it proceeded to flood the country with a nickel coinage, whose intrinsic value was only one-eighteenth its face value. It was quite unsupported by any gold or silver reserve, and the natural consequence was that the newly introduced coinage fell rapidly in actual value as against the Japanese

gold yen, which is the recognised standard of value where foreign goods are concerned. The efforts of the Government to popularise the coin by insisting that the land tax should be paid with it only accentuated the deplorable effects of the policy adopted. To make matters worse, the opening offered to the fraudulent by the introduction of so loose a system led to the importation of counterfeit nickels from Japan and elsewhere, with the certain consequence that values were further depreciated. To what a pitch matters have come may be judged from the report for 1901 of Mr. Goff, in which it is stated that at that port quotations are current for (1) Government nickels; (2) first-class counterfeits; (3) medium counterfeits; and (4) those passable only after dark. The last-mentioned description is delicious. Surely never out of a Bedlamite State has there ever been an established market for spurious coinage! Comic as the situation is, it has its serious side. The whole operations of trade are disorganised by these irregularities. Conscious of the mischief done, the Japanese Government, at the end of 1902, issued an Imperial Ordinance with a view to deterring its subjects from making spurious coin for the Korean market. Severe penalties were laid down for infractions of the edict. The action produced some remarkable results. One haul made was of 739,000 pieces of counterfeit coin, and in

a second case 530,000 pieces were confiscated. The captures, however, were, it was believed, only a tithe of the coin actually sent forward. The business is an exceptionally profitable one, and it has become quite an industry. Nothing but an entire re-modelling of the currency system upon a proper basis will remove the evil, and that is hardly to be looked for—immediately at all events. Meanwhile, a heavy weight is placed upon legitimate trade by the system.

A factor of considerable importance in the trade development of Korea is the telegraph system, which, though introduced only a few years since, has wide ramifications throughout the country. Up to the end of 1901—the latest year for which official statistics are available—there were 2,170 miles of line, of which 474 had been added to the system in the previous twelve months. There were, at the time the returns were compiled, twenty-seven stations, these including nearly every important centre from Echow and Kiongoung in the north to Masampo and Fusan in the south. Though as yet in its infancy, the department has excellent results to show. During 1901 as many as 152,485 telegrams were sent over the wires, and the receipts reached the respectable sum of £8,300. This amount does not cover the whole of the working expenses; but there was before the

war every prospect that with careful management the system would yield a profit to the Imperial revenue. In this, as in other matters affecting the government of Korea, it is useless to speculate as to what may happen after the present military operations are concluded; but at least we may assume that whoever are the ultimate masters of the country, the system will have its place in the revised scheme of government, to the advantage of trade.

In dealing with the question of Korean trade it is impossible not to make prominent mention of the apathy displayed by the British ship-owning interest in this part of the world. Though the commerce of the country is rapidly increasing, as I have shown, the British merchant's flag is rarely seen in Korean ports. The bulk of the over-sea trade is monopolised by Japan, which in 1902 claimed 877,193 tons of the total steam tonnage of 1,160,895 recorded. Korea herself came next, with 165,782 tons, and then Russia, with 101,222 tons. Great Britain—a very long way down on the list—is represented by an insignificant 11,998 tons. When it is recalled that the British flag was at one time, and that not very long since, supreme in these seas, one cannot but regret that greater efforts should not be made to capture this most promising market, or at least to get a sub-

stantial share in it. Japan, no doubt, has special political reasons for pushing her trade, and our ships could not hope to oust her heavily subsidised lines. But a direct service in co-operation with them would have a good prospect of being made a financial success. Such, at all events, is the view of Mr. A. H. Hay, the British Vice-Consul at Chemulpo, whose opinion is entitled to great weight.

It must always be a source of patriotic pride to the Briton that to one of his countrymen belongs the credit of evolving at least a semblance of order out of financial chaos in Korea and bringing the trade of the country to its present condition of comparative prosperity. The gentleman referred to as being entitled to this honour is Mr. J. McLeavy Brown, the chief of the Korean Customs. Mr. Brown is one of that class of administrators who in distant lands, under discouraging conditions, win honourable distinction for themselves and add to the British reputation for success in the practical arts of Government. He served his apprenticeship under Sir Robert Hart in the Chinese maritime Customs, and was selected by that eminent man for his present office. The work entrusted to him was of enormous difficulty and complexity. It was nothing less than the creation of a fiscal system on the rotten basis of

an effete Eastern despotism. Though opposed and thwarted at every turn, the object of virulent intrigues emanating from both foreign and native sources, he has steadily persevered with his thankless task, with the consequence that Korea now possesses a system which, if allowed free scope and fair play, would bring stability to the country's finances. A man of great strength of character, absolutely incorruptible, and resolutely opposed to all acts which would have the effect of circumscribing the legitimate functions of Government, he has made many enemies, and attempts have been made from time to time to evict him from his office. Happily in this matter our Government have taken up a strong attitude. Recognising that the removal of Mr. Brown would be highly detrimental to British interests, the British Consul-General has invariably extended to him support in the successive struggles in which he has been engaged. This diplomatic intervention has more than once saved the situation. So we find Mr. Brown still at his post, doggedly combating the malign influences which flourish in the unhealthy atmosphere of Seoul, and endeavouring by persistent effort to establish some sort of equilibrium in the finances. That he may long remain in that position is the sincere desire of every well-wisher of Korea.

A SCENE IN A KOREAN VILLAGE.

KOREAN VILLAGERS.

[*To face p. 96*

THE ECHUN MINE, KOREA: NATIVES CLEANING ORE.

KOREAN NATIVE MINING: CRUSHING ORE.

[*To face p.* 97.

CHAPTER VI

KOREAN MINING—NATIVE METHODS—FOREIGN MINING CONCESSIONS—JAPANESE COMMERCIAL POLICY

IN dealing with the trade aspects of Korea I have left to the last, for description in a special chapter, the mineral resources of the country, which constitute decidedly the most conspicuous element of potential commercial wealth. So little, comparatively speaking, of the country has yet been scientifically surveyed that it is impossible to speak with confidence as to the exact character of these resources, or even to define with geographical precision the localities which may be expected to yield a return to the operations of the miner. But of the existence of rich deposits of minerals of various kinds in wide tracts of the country in Northern, Central, and Southern Korea there is no sort of doubt. For centuries gold-mining has been carried on by Koreans in rude fashion. They have worked at the business intermittently and unsystematically, and, moreover, under the paralysing influences of a Government which has always exacted the heaviest possible

toll from the miner's operations and, beyond that, has thrown obstacles in his path. Yet from a time "to which the memory of man runneth not to the contrary" there has been a steady stream of gold dust flowing out of the country. Much of the fertilising current was diverted to Japan. Indeed, it is believed that until that country was opened up to the trade of the world, she derived her entire supplies of the precious metal from Korea, since she herself has no gold-mines. In more recent times gold dust has been a popular medium of barter. Korean merchants have exchanged it for foreign goods at the coast ports, notably Wonsan and Fusan, and the articles obtained by the transaction have filtered back to the mining localities to give a fresh incentive to toil. The amount of these exports is largely a matter of speculation, as the customs returns are notoriously unreliable, owing to the amount of smuggling that goes on. But that it must be very considerable is clearly indicated by the fact that in 1902 the exports officially recorded reached the high figure of £500,000.

Natives claim that practically the whole of Korea is auriferous. That is an expansive way of presenting the question which will not bear examination. It is an undoubted fact, however, that there are many districts in which gold exists in considerable quantities. Mr. Campbell tells the story of a man

he met with at a place south of Samsu, on a tributary of the Yalu, who varied his occupation of ferryman by washing for gold on the river bank. On the discovery of the gold, he had taken up the work casually, and no one appeared to be excited over the matter, though there was a large village across the stream, with many able-bodied men lounging about in indigent idleness. The Government restrictions, which, as I have said, are very onerous, may have had a good deal to do with the apparent lack of interest; but it is likely that the main reason was that the Koreans were too ignorant to realise all that the possession of mineral wealth implied.

Native mining in Korea is for the most part of the "placer" type. Small mines employing at most five hundred men are the rule. They are worked by gangs of about a dozen men on a simple system which Mr. Campbell describes. "Three or four of the band," he says, "loosen the soil at the bottom of the pit—I saw none more than 15 ft. deep; two or three pass it up in baskets to the surface, a couple are constantly engaged baling water into the sluice, and the remainder take their ease above until it is their turn to relieve the people at work. The gold-bearing clay * is then carried to a washing-hole, where the panners deal

* Mr. Campbell's observation was at fault here. I am told by an expert that the soil is not clay, but largely gravel.

with it. I have it on the authority of an old Californian miner that the Korean panners handle their wooden bowls with uncommon dexterity, and allow very little 'dust' to escape them. In many other ways the Korean miners show the fruits of long experience, but their *bête noire*, water, is, and has always been, an insoluble problem. Pumping appliances are unknown, and for want of them the deeper and presumably richer deposits are everywhere untouched. The water has only to overcome the baling capacity of a couple of pails, and with a 'hal su öpso' (no help for it), the gang betakes itself to fresh ground, with the sad consciousness that the claim it has left retains most of its riches. Of course, 'tail-races,' and elaborate ones, too, are constructed wherever the nature of the ground permits, but they soon become unmanageable and have to be abandoned."

It may be gathered from this description that native mining in Korea is conducted on principles which do not permit of a fair judgment being formed upon the results of the true resources of the country. It may be, as is somewhat widely supposed, that the gold deposits are irregular and by no means continuous ; on the other hand, it is quite possible that more substantial results have not been obtained in particular mines worked by natives because of the unscientific principles on which they

conduct their operations. The point is likely soon to be decided, if it has not already been settled. Mining on approved Western principles is now being prosecuted in two wide tracts of country—one of which is controlled by an American, another by a British company. Both these enterprises are the product of the peculiar system which obtains in Korea, under which the Government gives for a consideration more or less substantial trading or other rights.

The American *concessionaires* were first in the field. They secured the right some five or six years ago to develop the mineral resources of a large area some eight hundred square miles in extent at Un San, a district in the north bordering on the Yalu. Proceeding to work with characteristic energy, they soon had their mining operations well in hand. From time to time the plant was increased, until at the present moment, I understand, they have no fewer than two hundred stamps working in their various mines, which give employment to about 3,400 Korean labourers, from two hundred to three hundred Chinese, and thirty to seventy Japanese. The natives receive wages ranging from 8*d.* to 1*s.* 2*d.* per day—handsome remuneration for a country where the cost of the necessaries of life is very small. Excellent results have already been obtained by the enterprise, which

works under the designation of the Oriental Consolidated Mining Company. Its output in 1901 was £150,000 of gold, and the amount was largely exceeded in the two subsequent years. A circumstance which has tended to promote the success of the undertaking is the existence of deep water communication to a point within twelve miles of the chief camp. Ships with mining machinery are thus able to unload their cargoes almost in the heart of the concession, and in this way the delays and heavy expenditure frequently encountered where mining is prosecuted in new countries are almost entirely avoided.

Though with a smaller area under its control, the British concession at Eun San is one of considerable promise. It was obtained originally by Mr. Pritchard Morgan, and was disposed of by the syndicate which he represented in the latter part of 1900 to a company registered under the title of the British and Korean Corporation. Starting operations in 1901, the company has already well established itself in its territory. According to the latest accounts, there are from eight hundred to a thousand Koreans employed upon the workings. The early discovery of a coal-seam aroused high expectations, as, the country here being almost treeless, all fuel for steam purposes would in ordinary circumstances have to be imported from Japan.

Unfortunately the results of subsequent investigations have not been very encouraging. Generally speaking, however, the prospects of the concession are good. A third, a German concession, exists at Tong Ko Kai. Its working has for the most part been confined to "placer" mining. It does not appear to have been a brilliant success; in fact, the latest accounts represent that work upon the mines has been abandoned.

Attempts have been made at different times to add to the number of concessions, but the Korean Government, suddenly fired with caution, resolutely declined to entertain any further proposals. "One country one concession" was its motto, and all applicants were sent empty-handed away, though it was certain that had their applications been entertained they would have brought a rich grist to the Government mill in the shape of rents, and, in addition, enormously benefited the country by giving steady and lucrative employment to large numbers of natives. The outlook does not offer any great hope of a change of policy being effected in the near future. Even if the war is over sooner than is expected, it is very unlikely that circumstances will be such that mining development will be possible to any great extent outside the existing areas. At all events, the success of Japan would not, as many people in this country are apt to

suppose, be of a certainty a good thing for foreign mining enterprise. The Japanese have long had their eyes on the mineral resources of Korea, and probably if they could have had their way they would not have permitted them to be mortgaged even to the extent that they have been. Once their supremacy is secured, they will, if they are not sadly misjudged, proceed to apply to Korea the mining regulations which obtain in Japan. These are so framed that operations by foreign peoples are impracticable. Of course, it would be possible to secure by diplomatic negotiation some assurance that the door would not thus be slammed in the face of the foreign mine developer, and this is a point of which our Government ought not to lose sight. But taking the position as it presents itself at the moment, there is a decided disposition in mining circles associated with the Far East to view with some misgiving the prospect of the extension of Japanese rule to Korea, and to compare the fate which would probably be meted out to companies under the Mikado's sway with the liberal treatment which, judging from the experience of the Siberian mines, they might confidently look for from Russia.

The general tenor of the Russian mining law, I may remark, is extremely liberal. There are a number of small taxes, but they do not amount

to much in the aggregate. In the administration of the regulations there is a certain amount of officialism. It amounts, however, to very little, so far as a British or foreign company is concerned. It arises chiefly under the old mining system, where the mines were principally "placer" diggings worked by the natives on a small scale. The acquisition of mining rights, except on the east coast, is practically open to foreigners equally with Russians. The gold tax—that at one time was made so much of, and which amounts to 3 per cent. of the total gold—was really a tax for the better protection of gold and to prevent its theft. It has for various reasons been repealed. A new mining code has come into operation in Russia this year and has been specially drafted to deal with the working of mines on modern lines. The old code, framed, as it was, particularly for alluvial or "placer" mines, was not very applicable in the case of lode-mining.

This question of the Japanese attitude towards foreign trade is one of supreme importance, and it may not be without advantage, before leaving Korea, to glance at some of the bearings of the subject in the light of experience as well as of the settled principles of Japan's commercial policy. In the first place it has to be noted that Japan, unlike either China or Korea, is a rigidly Protectionist country.

While the Governments of the two last-named countries are content with moderate dues for revenue purposes, she imposes an exceedingly onerous tariff. On manufactured goods the duties are usually from 20 to 30 per cent. *ad valorem*, and the tendency, as her new tariff introduced last year clearly showed, was to increase rather than lighten the burden, especially in cases where products competing with those of her new industries are involved. Side by side with this familiar form of Protection, Japan, as I have already indicated, maintains in the regulations against foreign ownership of land a system of trade exclusion peculiarly her own. Free trade is, in fact, an expression unknown in the Japanese political vocabulary. In the circumstances traders may well ask themselves what they may expect from an extension of Japanese power outside the limits of the Mikado's dominions Will the Japanese shed their Protectionist ideas and inaugurate a new era in which foreign trade will have an equal chance with Japanese, or will they, adhering steadfastly to a considered scheme of expansion, seek to create exclusively for themselves new markets in the sphere of their conquests? I have no desire to pose as a prophet, but I must say that it seems to me that Japan would not be true to her traditions if she did not pursue the latter course. Political considerations may restrain

her, but certainly, if left to herself, it seems inevitable that she should give the trend indicated to her external policy. This consideration should make us cautious as to the extent to which we commit ourselves to our Japanese allies. It is one thing to "keep the ring" for them; it is quite another matter to aid them in closing markets to our own commerce.

CHAPTER VII

NOTES OF A JOURNEY INTO THE INTERIOR — HORSES A GOVERNMENT MONOPOLY — KOREAN HOUSES — NATIVE HOSPITALITY—CURIOSITY OF THE KOREANS—PING YANG AND HUNG JU—*KIMSHI*—POVERTY OF THE COUNTRY.

AS I have before stated, I had not myself an opportunity of travelling into the interior, but a well-known mining engineer, who went out to Korea not long since to investigate the mineral resources of the country and made a journey through the mining districts, has kindly placed at my disposal some notes of his tour. These I now reproduce, in the confident belief that my readers will be interested in the lively picture which the writer draws of Korean travel.

He tells very pleasantly the story of his early days in Korea, with his calls at the treaty ports marked by agreeable intercourse with the cosmopolitan society which centres there. He also describes his sojourn in the capital and the preparations for his journey. On the latter point let him speak for himself:

A TRIP UP-COUNTRY: THE START FROM SEOUL.

ON THE ROAD.

[*To face p.* 108.

KOREAN VILLAGERS.

KOREAN CHILDREN.

[*To face p.* 109.

"For the purposes of my journey I was officially attached to the Korean Government; consequently I found it necessary to be accompanied by the usual ponderous appendages of State travel in Korea, which included many interpreters and secretaries, each in his turn requiring so many servants. Altogether my retinue amounted to a considerable number. They all came willingly enough, anticipating, I believe, quite a pleasant little outing. I thought six hundred or seven hundred miles in the saddle might be a little tiresome, and I suggested it. Oh no! they were Koreans, and said they were quite equal to what was expected of them. They belittled their journey, belittled the hardships, and made no objection to a scheduled rate of travel, which I managed to agree should be the maximum that they admitted their wonderful Korean horses were able to accomplish. The result was that the schedule was adhered to; but only a small proportion of the horses got through. Events proved that, with the exception of five Koreans, my retinue had sisters or cousins or aunts on the road, and found it more convenient to loiter. As a matter of fact, once in the saddle, and having fairly gauged the capabilities of the party, I thought the quickest travel was to leave them behind.

"All up-country travelling in Korea has to be done on horseback, as the roads, or what passes

for them, are unfit for wheeled vehicles, and chairs such as are used in Seoul are out of the question. Horses, therefore, were our first consideration in arranging for our journey. The supply available to the traveller is very indifferent, owing to the peculiar system which obtains of making the breeding of horses a Government monopoly. Under this arrangement the Emperor has the first pick of all horses bred in the country. When he has satisfied his requirements, the army officers make a selection for remount purposes. Then the Ministers have a right of choice. Finally, the public are allowed to purchase. But by this time the horses left are for the most part sorry screws, which are worth very little. In my case I was fortunate in having the assistance of a Japanese agent, who promptly secured for me an adequate number of horses. Altogether we required no fewer than thirty-eight animals, the bulk of them, of course, for my train of Government officials. Two, however, were set apart to carry the indispensable "cash"—an old-fashioned coin approximating to the Chinese medium of currency. It is a flat piece of metal, with a square hole punched in the middle. There is practically no other currency in the country away from the towns, or was not at the time of my trip, and in view of the fact that as many as seven hundred of these coins go to a yen, we had

to take two whole loads with us; not a little responsibility for my good attendant and a considerable inducement to robbers. This last-named consideration had great weight from the servants' point of view; I am not quite sure, indeed, that one or two of our train would not have liked to become the bandits themselves, if they had dared.

"After adjusting the loads, fitting the saddles, muzzling the horses, arranging the procession (for the custom prevails in that country that horses have rights of precedence), we finally got away at noon instead of at 8 a.m. and made a short trip. I should say there were three Europeans, my wife, myself, and an assistant. I do not think I shall ever forget the first night out, passed in a Korean *mabong* or roadside hotel. The hotel courtyard is usually from 20 to 30 ft. square, bounded on three sides by one-storied Korean houses, or built on the *kang* system; on one side a shed, under which the Korean ponies are tied.

"The houses are hovels, but sometimes a fairly clean room may be found, if it has been recently papered. When you step out of the house, you step into mud or filth, for the courtyard is the common receptacle for everything that is not wanted. In a corner of the enclosure under a shed, the Korean pony squeals, kicks, bites, and snuffles in a trough in which his food and hot water have been

placed, for it is a notable peculiarity of Korean ponies that they have their food boiled, this involving a long delay, and ultimately much fighting for the few remaining beans that may be floating about in a superfluity of water.

"Travelling in state as we did, we were always given the best rooms to ourselves; but even these required to be carefully handled, in consequence of the multitudes of other inhabitants. However, with the aid of a copious supply of carbolic acid, and by using the tarpaulin in which our beds were packed, which we made to serve the purpose of floor-cloths, we managed to get through with comparative freedom from attack.

"I mentioned the *kang*. The floor of a Korean house is a nest or series of chimneys or ducts, through which the products of combustion from a fire or kitchen at one end of the house passes. If a good fire is made, the *kang* becomes so hot that you fairly frizzle and once the fire is allowed to go out you get very cold. There is no means of ventilation except by cutting a hole in the door (a paper door, I mean); so we had to choose between being cooked or cooled.

"We had taken precautions to arrange our commissariat independently of hotel supplies, with the exception of eggs and chickens and what we could kill; and hence, with the exception of one evening,

when we had lost our way and had to fall back on Korean food, we fared fairly well. At this time of the year game, ducks, and geese are to be had for the killing and never were we short of the most delicious pheasants. For the accommodation of both man and beast charges are so extremely moderate that it would be a little hard to find fault with what one got.

"The greatest nuisance we had to put up with was the eternal row that went on all night between the master of the horse and his ponies. These beasts are usually not much larger than a good Shetland pony, never broken, often very vicious, invariably unsound, frequently knock-kneed, with a big head and small feet and never groomed except when his tail is tied up. To complete the picture, they are always ready to do a waltz or some other erratic performance when they are not too tired.

"The doors and windows of the houses are usually of paper—a tough Korean variety, excellent for many purposes; it has this peculiarity, that if damped, it is very easily broken. The Koreans, especially the women-kind, curiously disposed, would wet their fingers and quietly push them through the doors and windows, and peep. So intense is this curiosity, and such a nuisance, that I often found it necessary to let them have their 'Look see' before we retired and strictly prohibit them

from even approaching our windows or doors afterwards. Fortunately we had an excellent boy, Manyongi, who stood us in great stead, backed up as he was by the Korean officials, who, to give them their due, were most tractable and willing to carry out my wishes.

"Naturally the circumstances of the journey were not what some people would call pleasant, but it was pleasing indeed to have a gang of men who were so amiable and ready to obey orders.

"The monotony of the topography of Korea is somewhat remarkable. The section of the country through which I travelled embraced a wide stretch of landscape, and can best be described as a series of small valleys and small hills or hill ranges. In the centre, or what may be described as the backbone of Korea, these hills might be termed small mountains, but in no place was great elevation attained; indeed, our highest pass was only 1,500 ft. above sea level. We passed through valley after valley and crossed range after range into other valleys, the scenery throughout presenting singularly little change. The valleys were mostly cultivated. Usually there were fields, in which crops of rice, corn, and millet were raised.

"The villages are invariably at the foot of the hills rather than in the valleys themselves. They are for the most part backed by uncultivated hill-

sides sparsely studded with trees, principally pine and larch. The trees often grow in perfection on the ridges, showing little effect of wind storms or climatic influences. This is hardly to be wondered at in a climate usually so calm and regular as that of Korea.

"Hospitality, I might say, is a law in Korea. As a rule I have never found it violated either by missionary, merchant, or coolie. In any town where a mission station existed we were welcomed with open arms, and right glad we were to accept the hospitality. Scarcely less cordial was our treatment at the hands of the natives. On arriving in hamlets or villages, the best house was always, with one exception, immediately placed at our disposal. The single instance in which the courtesy was withheld was rather curious. Our advent presumably had become known shortly before our arrival, and a good house selected for us. A delay occurred, however, in conducting us to it, and on inquiring the reason, we discovered that the owner had just died and the people were in doubt as to whether it would be true hospitality to let us occupy the same house. We settled the point very speedily by deciding to go elsewhere. Our intrusion upon these good people must have been very embarrassing at times, for it involved moving everything—not much, it is true; but even a Korean household can be upset.

However, it was all done with rare good humour. Nor was any exception taken to anything that we did, though of course we avoided hurting their susceptibilities. The only penalty we had to pay for the inconvenience we put the people to was to be curiously gazed on and asked all sorts of questions—as to what we wore, what our clothes were made of, whether they could be inspected and tried on? What funny people those foreigners were! the Koreans, by their attitude, seemed to say. Why did we wear leather boots? Why did my wife sit on the side of the saddle instead of on the top of it, in Korean fashion? This last-mentioned characteristic puzzled them greatly. Indeed, I found subsequently that such was the stir caused by my wife's side-saddle that her fame circulated through the country as 'the one-legged barbarian.'

"About the first important point reached on our journey was Ping Yang, which is much to the front just now in connection with the military operations in Korea, as it previously was four hundred years ago during the great Japanese invasion. It is situated on the right-hand bank of the Ta Tong Do, 'Do' being Korean for 'river.' It is, like most of the principal towns, encircled by a wall. It has from nine thousand to ten thousand inhabitants, and is the headquarters of the Government of the

NATIVE CURIOSITY: KOREANS INSPECTING AN ENGLISH LADY.

A WAYSIDE INN IN KOREA.

[*To face p.* 116.

A VILLAGE WELCOME.

TYPES OF KOREAN BEAUTY.

[*To face p.* 117.

province in which it is situated. With the exception of some of the Japanese houses and the missionary headquarters, the houses are Korean, one-storied, built of stones, mud, and on the *kang* system. This is almost the invariable house throughout Korea, and, if properly built and of large enough dimensions, can easily be arranged for European habitation.

"Anchiu, Anjuar, or Hung Ju (as it is variously named), the next town of importance going north on the Chong Do, is an ancient fortress, also walled in, and, I should say, would be a position to be easily defended if properly attended to. Our quarters in this town were not in the ordinary hotel, but in a house in a street—a street full of squalling children and curious women. The place was more comfortable than our usual lodgings, because we were free from the horses; but what with the smell of the *kimshi* and the curiosity of the street mob, we almost wondered whether we were not doing the showman in real life.

"I cannot pass on without mentioning *kimshi*. Large earthenware jars, similar to those used by Ali Baba and the forty thieves, are the property of every family. Into these jars, in the autumn, is packed the Chinese cabbage, together with other vegetables, principally onions or tomatoes, with the addition sometimes of a little pepper. These are

packed tight, half buried outside the house, and covered over with straw, when a slow process of fermentation sets in. This is the universal vegetable for the winter, and the more stale or fermented it becomes, the greater the delicacy; and it must not be forgotten that the better the quality the greater the odour—in fact, the flavour of good *kimshi* lingers for several days after consumption.

"Our scheduled rate of travel was at the rate of one hundred *li*, or thirty miles per day. Owing to it being late autumn, the mornings being dark and the days short, our travelling-time was not too long, and two hours at least every day were lost by having to tie up and cook the ponies' food. This I found a great nuisance; but as it was an invariable custom of the country, I was unable to avoid it.

"Of the better houses in the country there are few. The governors' and magistrates' houses and offices stand in grounds by themselves and are usually tastefully arranged in conjunction with the pine-growths. Thus pretty effects are often obtained, and these are reliefs to the ordinary monotony of the aspect of the country. I have seen some that would have appealed to the country gentleman at home. As to the interior, however, I would rather say little, except that they are much best *a la vista*.

"I often wondered how the intrusion of the

foreigner was looked upon, and I took pains to ascertain the views prevailing on the subject. I found that whilst the Koreans believe that Korea is for the Korean, and that it ought to be so, they consider that as it has been decreed that certain concessions shall be given and foreigners allowed to work in the country, there is nothing more to be said. This was a Governmental view; but it is to be clearly noticed that a Korean on a foreign concession is individually much more independent, for he is then free from the universal curse of 'squeeze.' Squeeze it is from first to last and any one who can avoid it does so. This undoubtedly is the reason why, when the Koreans can earn money of their own and are allowed to keep it, they gradually recover an independence or individualism that seems to have almost been crushed out of them when subjected to the executive power.

"Poverty on every hand is apparent. There is no incentive to work. They grow nearly everything they require, and everything apart from their bare necessities belongs to somebody else. A few pedlars going through the country seem to serve the ordinary wants of both men and women. A few yards of calico, a bit of tobacco, some *ginsang* are practically all their requirements, with the exception of cooking utensils, which, being of brass, become heirlooms.

"My mission was to ascertain the mineral value of some of the Imperial property. In connection with this there is one tribute that I must pay to the Koreans. Although they were often mistaken as to the how, why, or wherefore of this or that deposit, their statements of fact were without exception true.

"A word as to the Korean climate. My journey was undertaken in October, which is rather late in the year for travelling, owing to the approach of the cold season. Nevertheless, we found the climate on the whole delightful. The only real drawback was the wind. It would blow very hard for a day or two at a time, and during that time travelling was unpleasant.

"The general demeanour of the people is one of almost stolid indifference, savoured by intense politeness. It is, however, mitigated by the extreme curiosity (especially on the part of the women-folk), to which I have previously referred. Nevertheless, a Korean in passing you in the road would not even trouble to see who you were.

"A characteristic change is very marked amongst your own men when they become acquainted with you, and during a rather extended trip in that country I always found them easily managed, cheerful, and willing, and never but in two instances was there any hesitancy to obey marching orders. On

these occasions I had previously been warned that there would be trouble, on a supposition that there were bandits on the road. Whether the marauders existed or not is dubious; my men never saw any, but the mere talk of them served to derange my plans. On the whole I consider myself fortunate in having had this interesting experience. It has left behind it pleasant memories both of the country and the people."

With these observations of the traveller I can appropriately bring the Korean section of this work to a close. I must, however, permit myself the expression of a hope that in the good time when the foreign war drum throbs no longer on Korean soil, this amiable and intelligent race may be permitted to pursue the even tenor of their way under happier conditions than those which have been their lot in recent times.

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CHAPTER VIII

CHINA—THE INTEGRITY OF THE CHINESE EMPIRE—RUSSIAN AGGRESSION AND BRITISH ALARM—KANG YÜ WEE—THE CHINESE REFORMER—HIS SOLUTION OF THE FAR EASTERN PROBLEM—INTERVIEW WITH LI HUNG CHANG—SIR ROBERT HART'S VIEWS

WHILE Korea, through political and military exigencies, has become the central feature in the great drama which is being played out in the Far East, it is the vast figure of China looming in the background that is the real point of interest. The struggle in "the Land of the Morning Calm," absorbing as it is, is but the *lever de rideau* which precedes the main piece in the programme. When it has been performed, there will still remain the problem of the future of the Chinese Empire, which has weighed like a nightmare upon the statesmen of the world during the last few years. A great Frenchman some time ago likened China to a corpse floating about on the waters of civilisation, disturbing the harmony of nations by its pollution. It was a powerful and poetical simile, but it is not

CHEFOO FROM THE SEA.

CHEFOO: COALING.

[*To face p.* 122.

CHEFOO: THE ROADSTEAD.

GOING DOWN TO TAKU.
(The view shows the ice still on part of the river.)

[*To face p.* 123.

strictly accurate. It would be more correct to say that she is a vast frame paralysed in the extremities and weakened by internal disorders, but still strong in the inherent vitality of a fine constitution. Dead she certainly is not. Heavy as are the blows that have fallen upon her in recent years, sorely though she has been stricken, her wonderful vigour remains practically unimpaired, and she continues what she has been for centuries, the greatest self-contained empire in the world. We speak of the break-up of China when we mean the break-up of her effete Government. We refer to her decadence when we really have in our minds the moral degeneracy of the corrupt wielders of her power. The great nation of four hundred million souls, inhabiting a vast area that is almost a continent in itself, is what it has always been, a potent force in the world's history. Though the barbarian thunders from without, and even intrudes upon its privacy, the mighty mass lives its life, neither moving forward nor retreating, but simply stagnating.

My visit to China was paid more than three years ago, at a period anterior to the startling series of incidents which commenced with the Boxer outbreak ; but though much has changed since then in the international outlook in the Far East, the problems which are occupying the chancellories now are much the same as those which were

brought to my notice when I made my tour. The scenes have been shifted somewhat, the actors have been replaced by others in a few instances, but the same piece holds the audience, and the piece is, The Integrity of the Chinese Empire. So when I record here my impressions, and reproduce the notes I made of the numerous conversations I had with many leading Far Eastern authorities whom I met in the course of my wanderings, I am able to claim for them a freshness of interest which does not as a rule attach to the fugitive records of the travelling diarist.

At the time of my arrival in China the question of Russian aggression and of its probable effects on the political and commercial future of China was the sole topic everywhere. The rapid march of the Northern Bear from her icy solitudes to the warmer regions washed by the Yellow Sea had startled Englishmen, who had so long held to the doctrine of British predominancy in China as to regard it almost as a tenet of their faith. The rapid absorption of Manchuria following upon the ejection of the Japanese from Port Arthur was to them a presage of the coming doom of China if the voice of Britain did not sound a peremptory, "Thus far shalt thou go, and no farther." What had accentuated the feeling of alarm was the attitude taken up by Russia towards the Northern Railway

scheme. Her aggressive demands in connection with this enterprise, coupled with the marked obsequience of the Pekin authorities, told a story of triumphant intrigue which seemed to threaten the very foundations of Chinese power. Talking with all sorts and conditions of Anglo-Chinese from one extremity of China to the other, I found this note of apprehension predominant. A great calamity seemed in their view to be impending, which nothing short of the most vigorous diplomacy appeared to be calculated to avert.

With these opinions I shall have to deal later in detail. Meanwhile, I may perhaps put forward what I may describe as the native view of the new situation created in the Far East by the appearance of Russia as the lessee and practical owner of the Manchurian provinces and the self-constituted reversionary legatee of the greater part of the dominions of the Far Eastern Sick Man.

A happy accident placed me in a peculiarly advantageous position to ascertain the drift of native sentiment. One of my fellow-passengers on the steamer by which I crossed the Pacific Ocean to Japan was Kang Yü Wee, the great Chinese reformer, whose dramatic flight from Pekin and subsequent escape on a British man-of-war from the dangerous vicinity of the Chinese dominions caused an international sensation which will still

be remembered. Kang, who is an excellent specimen of the best type of educated Chinese, was still greatly in fear of the powerful arm of Chinese Mandarinism. He was surrounded by a large bodyguard of servants; and so suspicious was he of foul play that his food was always tasted in his presence by one of his suite before he would himself partake of it. To me he displayed a courteous affability, and after a time unburdened himself upon the then, as now, all-absorbing question of China's future. His view was that China must lean upon Great Britain instead of following the policy favoured by "the old gang" of Chinese officials of relying upon Russia. He expressed great fear of the consequences of Russian encroachments in Manchuria, and predicted that Great Britian would assuredly lose her trade in that part of China if a check were not given to the ambitious designs of Russia. Referring to the then recent series of events which culminated in the deposition of the Emperor, he maintained that the proper policy for our Government to pursue was to insist upon His Majesty's reinstatement. Such a course he deemed to be thoroughly practicable, and he even went so far as to say that it would have the support of the Empress, who was weighed down with remorse at the part she had played in the *coup d'état*, and would willingly restore her son if she were backed in such action.

Kang Yü Wee went on to say that he looked to Great Britain to extricate China from her troubles. She alone, in his opinion, was the Power which could save the situation from becoming desperate. I ventured to suggest that the Chinese must help themselves, and pointed out that they might strengthen their position enormously if they took their army and navy in hand and made them efficient weapons of defence. Kang Yü Wee, however, dissented from this view. Such was the condition of administrative disorganisation in China, he said, that he despaired of anything being done from within. I then asked the fugitive reformer to give me in detail his views of what the solution of the question should be, and he promised to do so. Subsequently I received from him in Chinese a remarkable document, of which the following is an exact translation :

MATTERS OF SERIOUS CONSEQUENCE TO ENGLAND AND CHINA.

Section I.

A. China is a great Empire. The people are five hundred million, and its danger, weakness in division or partition or maintenance, truly concerns the affairs of the whole world—not Asia only, but Europe.

B. England regards commerce as the essential element in her empire. Of Chinese commerce, England holds the larger half. If China has trouble and change,

England cannot possibly sit still and look on, but must ponder over how to settle it. In settling it, England must desire that the settlement should be according to the best English methods.

C. Russia and England are the two greatest nations on the earth, neither of which will yield to the other. Formerly, Russia was involved with Turkey, and made war. England put forth all her military power to repel it. Now, Chinese territory is larger than the Sultan's dominions, and the people are more numerous than his subjects—so much so, indeed, that Turkey cannot be compared to China. Russia and England's contentions in remote regions are gradually shifting towards the Far East. The two nations are putting forth their might in the Far East. If one could get alone the authority and power in China, that one would be still more mighty.

D. Though China is weak, if the different nations should carry out their talk of *Division*, regardless of the enormous extent and population of the country, of the number of tribes which combine to make up that population with entirely different religions and forms of government, and of the fact that this people is enlightened and energetic and not to be compared to the negroes, they would find that to take the country by force would involve them in the greatest difficulties of government. It is as though you were to eat something hard to digest, or a large fish-bone stuck in your throat which would choke you; in other words, it is incompatible. Such a thing no wise man would undertake; and as for England taking part in the partition of China, it would be for her especial disadvantage. Not only would there be quarrelling with Germany and France, but Russia would seize upon the desert north of the Great Wall and Mongolia. They would utilise

the people north of the Hivangho, nourish and train them as soldiers until the Iron Road is finished, when they would further encroach southwards until their horses would be feeding in Kiangnan, and they would press on towards the north wall to attack India from the north. The powerful military forces of Russia, combined with the multitudes of Chinese, would make an inroad into India; and when England was therefore obliged to protect her own interests in India, what leisure would she have to protect her newly acquired territory in China? How shall England resist Russia? Russia has a vast extent of country, with land connections everywhere, and England, though she might take her ships over the ocean (naval power), yet owing to Russia being in close proximity to China and India, she would find extreme difficulty in bringing her naval forces into play. The difference thus between England and Russia is incalculable; therefore, when Russia has finished her Trans-Siberian Railway, she can straightway make a great move in the Far East, which no power can resist. If England does not retain some territory, it is an exceedingly bad look-out for her; therefore the maintenance and integrity of China would provide the only sufficient territory for England to work upon. That would be England's great advantage; whereas to cut up China would be to England's great injury.

The tendency of human nature is to take things easy and aim at small advantages and forget greater disadvantages. Russia now has not finished the railway, and is sure to have many fair speeches, and try to delay matters, and even *hold a council for a universal putting away of arms*, or make endeavours for a treaty with England. In general we may say that whatever Russia does when the railway is finished, she is certain to have

a great demonstration in the East, and what she is most jealous of is England. What England depends upon is India. Russia is sure to muster the strength she has got to attack India. If India should have any disturbance or movement of any kind, England's empire is in ruins, and England will not be an Eastern nation. Granting even that she has more or less a share in the division of China, that also is what she is not able to protect; therefore for England's policy there is nothing like putting forth all her strength to protect China, and not for a moment having any delusion about a treaty with Russia for a common division.

E. All who desire to have influence and strength in their Government must first have great virtue in their nation. Then to get influence and strength is easy. England has hitherto been very friendly with China, and therefore the advantages she obtained were very many. During the fight with Japan, England stood still and looked on. Russia used big words and empty energy, and so restored Liao-tung to China; and then the Conservative party of China, such as the Dowager-Empress Yung Luh, etc., did not know the great game that was on, but were influenced by the great grace (Russian). So the Empress-Dowager contracted a secret treaty with Russia, and gave up three Eastern provinces, the railway and bank; nay, more, she gave up Port Arthur and Talienwan, and also promised to give the three Eastern provinces in Chili for the drilling of soldiers. At last Russia's way was opened for the exercise of her dry land influence. It was like spreading out the wings of heaven to envelop the East. England, although she got something, it was trifling and far from worthy of comparison with what Russia received. How is this? It was the Conservative Dowager party who in sincerity of heart were influenced

by Russia, trusted Russia, put themselves under the protection of Russia, and did not dare to be friendly to England. This was where England missed her opportunity. The Emperor was capable of being friendly to England, but now he is deposed; therefore England should wish to protect China entire as the basis to work from, not have a direct boundary line with Russia.

Such is the outline of policy which Kang Yü Wee put into my hands. I think it will be conceded that it shows a wonderful grasp of the essential factors in the extremely complicated web of Far Eastern politics and also exceptional prescience. The writer foresees clearly dangerous tendencies of Russian policy alike to China herself and to British power in the East. Nor is he under any patriotic delusions as to the resisting power of China if left to herself. Much has happened since he wrote his letter, but nothing that does not strengthen his arguments.

Not many weeks after I had taken leave of Kang Yü Wee, I had an opportunity of hearing from the lips of his arch-enemy, Li Hung Chang, what may be termed "the other side of the question." While at Pekin I called upon him to pay my respects, and I had a most interesting talk with him through the medium of Mr. Pethick, whose profound knowledge of Chinese made him an excellent interpreter. I found the old statesman in excellent

form, keen and alert, and at times quite vivacious. I transcribe from my diary the notes of my interview.

His Excellency was much interested to learn that I had travelled with Kang Yü Wee, and asked me many questions on the subject. He pointed out that he was a fugitive, and asked whether we intended to harbour him. I told him that political fugitives were always safe in the British Empire, but he answered:

"He is now in Hong Kong, and if he attempts to stir up rebellion in China, will you then interfere?"

I replied that in such circumstances he might receive a friendly hint.

He said he admired Kang Yü Wee as a student, but he was unfitted to become a great reformer. He was too much in a hurry, and had wickedly endeavoured to do away with the Dowager-Empress, who was very experienced, with many years' knowledge of affairs, while the young Emperor, who had listened to the seditious suggestions of Kang Yü Wee, was young, inexperienced, and had scarcely ever been out of the palace, and was quite unable to cope with the world.

(I think this eulogy of the Empress was passed of set purpose, for all interviews in China are more or less public. Coolies were continually coming in and out of the room while we were conversing, and everything that Li Hung Chang said would, I heard, undoubtedly reach the Empress.)

He said, "How would you like some one in England to plot against your Queen with a view to putting the Prince of Wales in her place?"

I pointed out that in our country Parliament was supreme, but that if, for instance, such a disastrous thing should happen as had recently occurred in China—namely, the result of the Japanese and Chinese War—the Government in power would have been swept away; while in China, although defeat and humiliation had ensued, caused by corruption, etc., the Chinese Government and those in authority went on as before. I told him that in my opinion Kang Yü Wee was a patriot, and that though he had tried, perhaps too hurriedly, to bring about reforms, we in England thought those reforms were imperative.

Li Hung Chang received my opinions in good part, and expressed great friendship for England. He hoped, he said, that for the sake of her commerce and old friendship she would not leave China in the lurch.

Then the old gentleman went on to praise Lord Salisbury, said that he had been to Hatfield, and also mentioned that Lord (then Mr.) Curzon had shown him round the House of Commons. We parted on excellent terms.

Li Hung Chang's house was a miserable affair for a great personage—stone floor, wretched furniture, a courtyard dirty and unkempt. I could not help contrasting this residence of China's leading statesman with Hatfield.

Since these notes were penned Li Hung Chang has been gathered to his fathers, and the destinies of China have gone into other hands. His death cannot, I think, on the whole, be regarded as a loss to the country. Great as his services undoubtedly were to the empire in his earlier days of power, his

influence had latterly been exercised in a way disastrous to its interests. He had became a mere creature of Russia, the pliable, if not the willing, instrument for the execution of her subversive schemes. Popular rumour assigned avarice as the motive which brought about this unholy connection, but outwardly at all events, as I note in the extract given above from my diary, the wily old statesman gave no sign of affluence. If he was rich—and he was reputed to be fabulously wealthy—he was most careful in his mode of life to conceal the fact. Whether, however, cupidity influenced him or not, upon his shoulders must be placed much of the responsibility for the modern misfortunes of China, for without his aid it would have been impossible for Russia to have achieved the astounding diplomatic successes she did.

The official Chinese view which I obtained from Li Hung Chang was supplemented by opinions which I gathered at about the same time from Sir Robert Hart, the great Englishman who has long and ably managed the affairs of the Maritime Customs Department of the Chinese Government. There is no European living who has a profounder knowledge of China and the Chinese than this remarkable man. For close upon a half century he has been a conspicuous figure on the stage of the Far East. Trusted implicitly by the natives, and

respected by Europeans, he wields an authority the like of which no foreigner has ever exercised in China. I lost no time after my arrival in Pekin in making Sir Robert Hart's acquaintance. Our conversation proved of the highest interest. Its tenor may be gathered from the following entry from my diary:

Sir Robert Hart is very pro-Chinese. He spoke of the alarmists with amusement. In his opinion Russia cannot, if she would, make any great encroachment upon China. In his view, Russia looks upon China as her natural prey, owing to her contiguity; but she will not make a move to establish herself unless other countries set the example. He said that Russia would like to buy the Northern Railway because it is a good commercial undertaking, but for no other reason, and that some of the English bond-holders were anxious to sell to the Russians; but he stated that if the railway was possessed by the Russians, it would not interfere with British trade. British trade, he observed, had not been hurt at all by them. He pointed out, though, that Germany, who had not a pound's worth of business ten years ago, was making great inroads and pushing ahead without any undue assistance, but merely from sheer hard work and being content with small profits, and by mixing with and being friendly with the Chinese. A further point in favour of the Germans, he said, was that they found out exactly what the Chinese required, while we rather went on the old-fashioned lines of sending to the Chinese what we think they ought to have. He said that the British merchants never mix with the Chinese, but go off after their work to their

games and recreations. He feared nothing, not even the break-up of China, unless indeed it was caused by a financial crisis which would bring China under foreign dominion. He told me that he was at present engaged with two prominent Chinamen in looking into the customs tariff question, and he hoped the outcome would be reform all round, *i.e.* small increase of duties, but total abolition of *likin*. Everybody agrees that the present tariff of China is absurdly small. Sir Robert said that any increase of duties would fall on the consumer. He firmly believes in the Chinese and their desire to help themselves, admits their weakness, but says that it will be impossible to break up four hundred millions of people.

Sir Robert Hart spoke no doubt with the voice of the Chinese official when he referred to Russian aggression and to its probable influence. Moreover, it is to be remembered that the designs of Russia were not then so clearly revealed as they subsequently were, and, viewing the situation from the standpoint of official Pekin, he might well consider that the fears which were expressed by his fellow-countrymen placed in "a position of greater freedom and less responsibility," were exaggerated if not unjustifiable. However this may be, it is interesting to note that the greatest English authority on China did not, even after the Manchurian policy of conquest by railway development was fully exposed, share the popular view that Russia's action in the Far East is a grave menace to the integrity of China. His

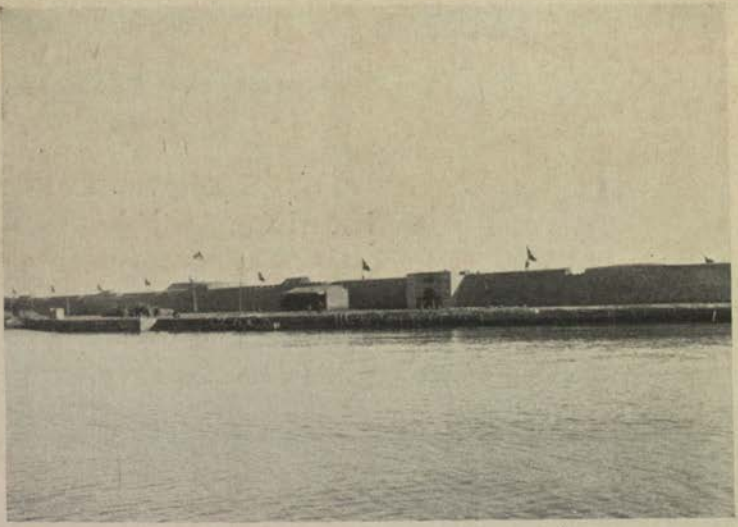
opinions, I think we may take it, were influenced by his sense of the enormous reserve force there is in the Chinese people. Kang Yü Wee, it will have been noticed, makes reference to this factor in his letter; but he evidently is not so convinced as Sir Robert Hart of its efficacy unaided to preserve China from disruption. The point is one of great interest, and I shall have occasion to refer to it at some length in a later chapter. For the present it will be sufficient to note the interesting divergence in view which is shown by two experts, each with a title to be heard on the subject.

CHAPTER IX

BRITISH ALARM AT RUSSIAN AGGRESSION—EXPERT VIEWS—THE NORTHERN RAILWAY—OFFICIAL CORRUPTION—BRITISH ATTITUDE—"INTELLIGENT ANTICIPATION OF EVENTS BEFORE THEY OCCUR"

I HAD not been long in China before I was made aware of the intense feeling of irritation, not unmingled with despair, excited by the onward march of Russia and the attitude assumed by our Government in the face of her successive acts of aggression. Arriving at Tientsin after an interesting journey up the River Peiho, past the famous Taku forts, I found the commercial community full of the theme of Russian arrogance and British supineness. My host, a leading member of the English colony at Tientsin, was particularly bitter about our "effete policy" and our "effete Ministry," to use his phrases. I quote from my notes:

My host was of opinion that Russia and Germany had taken the wind out of our sails by the weakness of our diplomacy at Port Arthur and Kiao Chau. He said that the Americans were endeavouring to obtain a concession to build a railway from Pekin to Kalgan, the

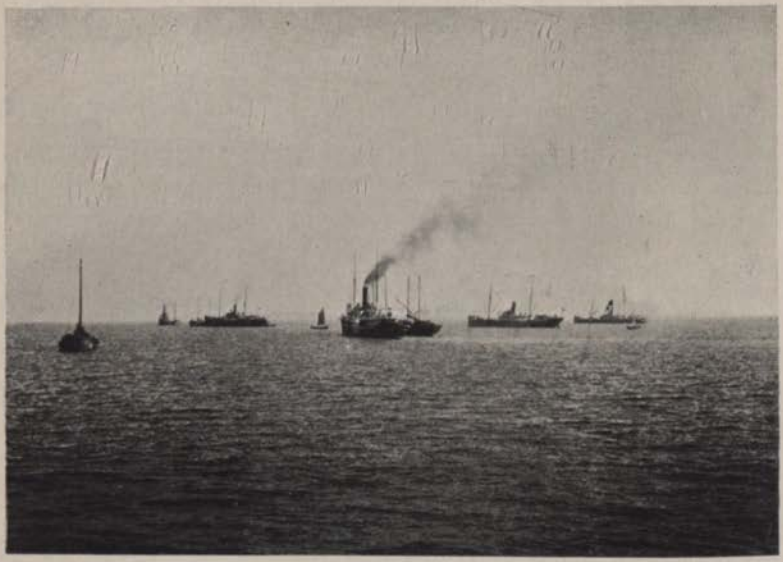


TAKU : THE FORTS.

TAKU : FROM THE ANCHORAGE.

[*To face p.* 138.

TAKU: NATIVE SHIPS AT ANCHOR.



TAKU: IN THE OFFING.

[*To face p.* 139.

great trade route (this was subsequently carried through). He seemed pleased to think that the Americans were trying to obtain this, as it would prevent Russia from dominating that part of China which, to the Britishers, is so vital.

Soon afterwards, while *en route* from Tientsin to Pekin by railway (of which more hereafter), I had the pleasure of meeting Mr. Claude Kinder, C.M.G., the manager of the Northern Railway Company, who has played no inconspicuous part in the great struggle for supremacy which has been going on in the Far East for several years past. Mr. Kinder's view was that Russia should be kept out of Manchuria by force, and that to this end we should form an alliance with America and Japan. He maintained that if such an alliance were not brought into existence, all China, including Hong Kong, would eventually become Russian, and the conquest of India by Russia and the downfall of the British Empire would follow. I urged upon Mr. Kinder, as I had upon my host at Tientsin, the importance of the British merchants in China making a strong and united representation to the home Government defining the dangers to British interests which were involved in the encroachments of Russia, and outlining a clear policy by which the evil might be combated.

At Pekin the same note of alarm was sounded by the unofficial members of the British community. The great bone of contention at the time was the Northern Railway. This enterprise has been built mainly with British capital, under an arrangement with the Chinese Government, by which no part of the line should, in any circumstances, pass to a

foreign country. There was, however, a clause in the agreement which gave the Chinese Government the power to repay the bondholders in four and a half years' time from then at an increase of 20 per cent. on the price of the original shares, and those interested in the company feared that Russia might find the money and force the Chinese to buy out the British interest with a view to its ultimate acquisition by them. Mr. Hillier, the manager of the Hong Kong and Shanghai Bank at Pekin, and one of the most experienced men in China, and others with whom I had long conversations on the subject expressed a fear that this would be the ultimate outcome of the intrigues which were then in active progress at Pekin, and they insisted that any transfer of the kind should be resisted to the utmost, as the railway was the key to the whole position. They told me that the history of the conditions in regard to the construction of the second section of the line from Shan-hai-Kwan to Newchwang was as follows:

When the arrangement of the second part of the line was made, Russia objected to this section being given as security to British bond-holders, on the ground that China had agreed with Russia that no one except China was to build a railway outside the Great Wall in Manchuria. The case was referred home, and our Foreign Office suggested that the

Hong Kong and Shanghai Bank and the Specie Bank of Japan should give way. The agreement was consequently changed, and, instead of this portion of the line being given as security, the receipts were loaned, and, moreover, a clause was put in, in which China guaranteed that she would under no circumstances part with the line to a foreign Power.

On a subsequent day the question came up again, when I had a further opportunity of discussing the position in the light of later negotiations. My notes are as follows :

I had another talk with Mr. Hillier, and he told me he had just seen Sir Claude Macdonald, who said that he would look with disfavour on any attempt made by Russia to get hold of the Northern line, and that the Foreign Office would not sanction the sale of the line by the Northern Company to Russia, (This, of course, they could not do under the agreement.) At the same time, he stated they would not interfere much if Russia forced the Chinese to purchase for themselves. I told Mr. Hillier that if any headway was to be made in this matter in England, two things must happen: (1) the China Association in London must be greatly strengthened, and made more representative; (2) that through that Association the House of Commons should be kept fully informed of all the doings at Pekin. I put this question to him: "What would the result be to commerce if Russia became the owner of the Northern Railway? Would trade suffer?" He said that politically we should suffer a diminution of prestige,

and that must react on our commercial position; but he could not give me an adequate forecast of the loss which would ensue.

A call I made on Sir Claude Macdonald after my talks with Mr. Hillier placed me in possession of the official view of the vexed question of the hour. I found that at the Embassy there was not the apprehension which existed outside as to the injurious consequences which would result from the purchase of the Northern Railway by Russia. As to the condition imposed in regard to the construction of the section of the line outside the Great Wall, I gathered that the reason the British Government did not interfere was that the details were more or less settled before the agreement came into operation, and that no effective protest could have been made even if one had been desirable.

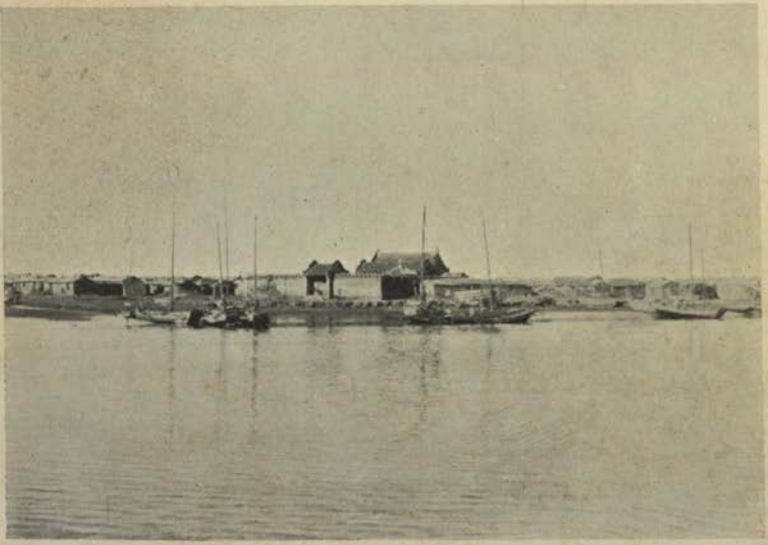
This struggle over, the Northern Railway, which was at its height when I was at Pekin, has been continued practically ever since. During the Boxer troubles Russia promptly annexed the line on the ground of military necessities, and she held it for a considerable time, until, in fact, she was compelled by diplomatic pressure to return it to its rightful owners. She has always regarded the enterprise as an infringement on her legitimate province, and I think we may safely assume that the combat of

which the incidents I have described at Pekin was a part will be resumed as soon as she finds herself in a position to continue it with a prospect of success. In a later chapter I shall have occasion to show the commercial and strategic importance of this railway. For the present it is sufficient to say that recent events have only strengthened the view entertained by the unofficial British community in Pekin, when I was there, that on no account should we permit the British interests in the line to pass into other hands.

I have gone at some length into this question of the Northern Railway because, though the narrative is somewhat ancient history, the general conditions at the present time are practically unchanged ; and because, moreover, the episode throws a flood of light upon the diplomatic situation at Pekin. The last consideration is really the most important. It was clear to me then, as it has become fairly clear to the world since, that Russian influence was all-powerful, even in a matter which, as it closely touched British interests, we were entitled to a commanding voice. While in China, as well as since, I have endeavoured to fathom the reasons for this singularly unpleasant phenomenon. Of course, there is the obvious explanation that Russia's successful aggression in Manchuria has given her a lever more powerful than any that can be utilised

by Great Britain upon the Chinese Government; but this is not sufficient of itself to account for the series of incidents, and especially those connected with trade development, which have marked the history of the past few years, for it is not Russia alone that has successes to show, but her *protégés* and accomplices in the work of "peaceful penetration."

What, then, we may inquire, is the secret of the amenability of China to foreign pressure? As far as Russia is concerned, the answer given me on the spot and reiterated since by those amply qualified to speak is "Backsheesh and bluff," particularly the former. The Northern Power is said to have scattered money with such a lavish hand in the right quarter at Pekin that she has been able to hold Chinese officialdom in the hollow of her hand. Li Hung Chang was only one of her many obsequious instruments. Thanks to her gold, she was able to pull the wires so that the dolls would dance to any tune she dictated. When the consequential results of the intrigues set on foot became alarming, as they often did, and the venal Ministers showed symptoms of fright, then the other force was brought into play and timely intimidation kept things right for Russia. By these means Russia has been able to consolidate her power in Manchuria and to pave the way for further and



ON THE RIVER OFF TAKU.

A STREET SCENE IN TIENTSIN.
(The figure on the left is a Sikh policeman.)

[*To face p.* 144.

A PONTOON BRIDGE, TIENTSIN.

A VIEW NEAR TIENTSIN, SHOWING GRAVES.

[*To face p.* 145.

more startling acquisitions of territory, should she be not checked by some outside agency.

As far as our Government are concerned, our chief source of weakness has been, in the view of Anglo-Chinese, the failure of our Foreign Office to grasp the character of the momentous changes which have come over China in recent years. We have persisted in treating her as a civilised Power, to whom it was necessary to address the polite and polished phrases of Western diplomacy; whereas she is simply an effete Eastern despotism, imbued with all the vices of such, and swayed only by the lowest motives of self-interest and fear. The situation in some respects resembles that in India in the early part of the eighteenth century, when the Mogul Empire was tottering to its fall. The internal causes of decay which then existed in the Mogul dominions, it is true, are absent in China to-day and to that extent the position of the native Government is stronger. But in all that concerns the governing authority itself there is little to choose between the Power seated to-day at Pekin and that which issued its decrees nearly two centuries ago from the marble palaces of Delhi. In such a situation the ordinary forms of diplomatic intercourse become almost meaningless. More direct means must be resorted to if respect is to be secured for demands that may be advanced. I do not suggest,

and I do not think any one of standing amongst the Anglo-Chinese community suggests, that we should resort to a blustering, hectoring policy; but I do maintain that where our treaty rights are infringed, as they have been in several notable instances, we should quietly, but firmly, give the Chinese Government to understand that we shall tolerate no deviation from the plainly marked path. In the past we have weakly submitted to encroachments which with a little plain speaking at the right moment might have been avoided and as a consequence we have brought upon ourselves embarrassments which have seriously compromised our position. I am happy to think that the needs of the situation are now more clearly appreciated than when I was at Pekin and that our diplomacy is making up to some extent for lost ground by an assertion in the right way of the enormous legitimate influence that we can still exercise in China in spite of the rude assaults that have been made upon it from various quarters. There is, however, much that is yet to be done before we can congratulate ourselves on having secured a sound foothold in the Far East.

Though we have made mistakes in our policy at Pekin, it must be acknowledged in common fairness that our representatives have been seriously handicapped by the conditions imposed upon them by the traditions of our diplomatic service. While Russia

is able to utilise the power of the purse—no mean diplomatic asset in such an environment as Pekin—our Ambassador has to rely solely upon his own powers of persuasion to secure his ends. Secret service money he has none, and if he had, the principles which govern the actions of British diplomats would rightly prohibit him from turning it to account in the devious ways which are notoriously resorted to by the representatives of our great rival at the Chinese capital. British integrity does not even permit the use of funds to obtain by irregular channels information of what is going on behind the scenes—information which is easily purchasable by those who have money in their hands and know where to place it. Many instances in which our representative in China has been ignorant as to transactions of the highest importance in the Chinese official world will occur to mind. Indeed, it will be recalled that it was in Pekin that was manifested that "intelligent anticipation of events before they occur" which caused such disquietude to the present Viceroy of India when Under-Secretary for Foreign Affairs. A singular story has been told me illustrative of the quaint results which sometimes flow from the existence of this information bureau in Pekin to which the British Ambassador is debarred from subscribing. On one occasion a gentleman interested in a trading venture, went to our representative to

enlist his aid on a particular matter. "I will go to the Tsung Li Yamen and see how the business stands," said the Ambassador, after hearing what his interviewer had to say. "If you do," replied the caller, "they will tell you——" and he related what he considered they would say. The Ambassador went to the Tsung Li Yamen (now the Board of Direction), the great Chinese executive body, and sure enough he was told in almost the exact words what his informant had prophesied would be their answer. This, of course, was not second sight or even telepathy, but merely "intelligent anticipation of events before they occur," according to Pekin methods. Against such forces the diplomatic gods of Britain may at times well seem to fight in vain. British honesty and straightforwardness, however, are not without their recognition in this complex political world of China. Deep down in the heart of the Chinaman there is an abiding faith in the honour of this country. He believes in our disinterestedness and our genuine desire to help China. He trusts us as he trusts no other outsider. This feeling may be expected in time to produce important results. It has already rallied to our side the viceroys and many of the important officials outside the corrupt clique at Pekin, and it will probably in the future influence a still wider circle who at present are merely indifferent or apathetic

PEKIN: A NATIVE FUNERAL. [*To face p.* 148.

PEKIN: A VIEW FROM THE WALL.

A SCENE IN PEKIN.

[*To face p.* 149.

spectators of a tragedy which they feel they cannot avert. Looking at the matter broadly, we may say that it is another example of the fact that honesty is not only the best policy, but that it is the best-paying policy in the long-run.

CHAPTER X

IMPRESSIONS OF PEKIN—FILTH AND SQUALOR OF THE CITY—CHINESE INDUSTRY AND THRIFT—EFFECT OF RAILWAYS ON CHINESE ATTITUDE TOWARDS REFORM—INDUSTRIAL CHINA—COTTON MILLS AT WUCHANG—WAGES OF CHINESE WORKMEN

DESPITE its historic interest, Pekin is one of the most disappointing cities that I have ever visited. It seems to typify all the vices and weaknesses of modern China. It is squalid to a degree inconceivable to one whose acquaintance is only with the populous places of the West; the public buildings are conspicuously mean-looking and there is an almost entire lack of the picturesqueness which lends to most Eastern cities a charm to the eye of the traveller from the West. The filth everywhere is astounding. Sanitation is quite unknown and the most elementary conservancy is neglected. As a consequence, there is a reek about the streets so powerful that you carry away with you from the city a memory of it which lasts you for days. Under all conditions of weather Pekin

is foul, but it is during rainy spells that its drawbacks are most apparent. Then the place is one great morass and you have to pick your way through loathsome mud, the accumulated deposits of one of the most uncleanly populations under the sun. Lately I believe the quarter of the city about the Legations has undergone a great transformation and I am told it would be scarcely recognisable by any one who knew Pekin in the days before the Allied occupation. But as far as the main proportion of the native city is concerned, it is still what it was, and what it probably always will be—a veritable Augean stable.

One's impressions of the Chinese capital are not rendered the more favourable by the difficulty of getting about the city. Your choice is between a walk along unsavoury paths and through a still more unsavoury crowd, or a ride in a Pekin cart—a solid, springless vehicle which, driven over the frightful roads, reduces you in a brief space to a condition almost of jelly. Such are the discomforts that most visitors are content with a very perfunctory tour and I cannot candidly say that my experiences were more exhaustive than those of others similarly placed. I saw enough of the city, however, to form a good idea of its main features and to acquire some sort of notion of the characteristics of its teeming native life. Apart from the

aspect of squalor to which I have already referred, the side of Pekin life which most impressed itself upon me was the low level of existence which appears to be maintained. There were none of the marks of opulence which we associate with a great capital. The crowds in the streets bore the appearance of a people engaged in a hard struggle for existence; the shops were mean in appearance and the private houses hardly rose in any instance above the level of a tenement building in a London rookery.

Now and again one would come across a sedan chair in which reposed a lordly mandarin, but even here one could not help being struck with the absence of the signs of taste and luxury which usually accompany high position. More likely than not the bearers would be a squad of tatterdemalion coolies, who looked as if they would be better employed in scavenging the streets than in acting as personal servants. About the only real piece of display I met with in my wanderings was a funeral procession. Here, accompanying a huge catafalque, upon which the corpse was placed, was a great body of professional mourners clad in picturesque costumes, with a display of lanterns and bright-coloured emblems which seemed to my prejudiced view to accord ill with the character of the function. Associated with this procession in my mind, though it did not form a part of it,

PEKIN: A BUSY SCENE OUTSIDE THE GATES.

PEKIN: A WEDDING PROCESSION.

[*To face p.* 152.

PEKIN: WATERING THE ROADS.

PEKIN: A STREET SCENE.

[*To face p.* 153.

was a train of double-humped Bactrian camels laden with merchandise, which followed after it. These animals are much used in this part of China for baggage purposes, and they are a common feature in the Pekin streets. With the extension of the railway system their sphere of influence will be greatly limited, if it does not disappear altogether.

One of the most interesting experiences that the visitor to Pekin can have is to mount the city walls and survey the capital from that standpoint. The great rampart which encircles the city is an enormous mass of masonry many miles in length and in places 50 ft. high. A splendid panoramic view is obtained from various points and, as your eye takes in the vista of temples, palaces and gardens, you are almost inclined to concede that Pekin has attractions after all. But a better view even than that from the walls is to be obtained from an eminence on the northern side of the palace, known as Prospect or Coal Hill. This is an artificial mound raised by the Ming Emperors, who, tradition says, used coal in the construction. It towers well above the surrounding buildings and its verdure-clad slopes, dotted with kiosks and temples, constitute a prominent and pleasing feature of the landscape. At one time the European was free to mount to the summit of this hill and roam at will, but since the Boxer outbreak

I understand the spot has been forbidden ground, probably because of its dominating the palace enclosure.

There is so little in the way of real sightseeing in Pekin that a visitor makes the closer study of the ways of the population. In many respects they are not nice. However, with all the faults of the Chinaman, it is impossible to deny to him some estimable qualities. His industry is prodigious. Labour to him is the natural order of existence and he settles placidly to a daily round which would astound the ordinary British workman. This applies to all ranks in the social scale. Here, for example, is the routine of a day in the life of an official: "Left home each morning at 2; on duty at the Palace from 3 to 6; Privy Council, 6 to 9; War Department, 9 to 11; Punishment Board, 12 to 2; Foreign Office, 2 to 6."[1] Thus we have a sixteen hours' day as a normal condition of official Chinese life.

Allied with indefatigable industry in the Chinaman is a remarkable thriftiness. Nothing in his eyes is waste. There are some wonderful stories told of the extreme care with which the smallest and apparently most valueless articles are preserved and utilised in the domestic economy. Extraordinarily nasty as it may seem to our fastidious

[1] *Chinese Characteristics.*

Western understandings, the very defunct cats and dogs of the streets are put into the family stock-pot. One story, for which an experienced Anglo-Chinese vouches, relates to a body of Chinamen who, finding some dogs which had been poisoned by strychnine, promptly made a meal of them. No evil results are said to have ensued. Indeed, the dish appears to have been greatly relished, the Chinese taste being such that the method of the demise of the animals was considered to lend an additional attraction to the feast.

It is this extraordinary capacity for making the most of things which constitutes the great strength of the Chinese as a nation. Where an Occidental would starve, a Chinaman thrives. He lives, and lives well, on a sum not greater than a penny a day. In times of stress and famine thousands have been kept alive at an almost infinitesimal cost. Truly it may be said of this remarkable race that their wealth is to be measured not by the abundance of their possessions, but by the fewness of their wants!

Whether the Chinese are susceptible to what we regard as civilising influences is a point which has yet to be finally determined. In spite of the inroads which have been made of late years upon their privacy, they have, so far, changed very little in all that concerns their national life. There is

an intense conservatism about the Chinese nature which seems to be proof against the most violent assaults from without. The prevalent native view is that China is a centre of sweetness and light, and that all who live beyond its limits are shrouded in thick darkness. This feeling in the lower classes oftentimes finds material vent in the heaving of a brickbat at the foreign devil. In the more educated ranks it is expressed in polite disclaimers of the suggestion put forward by the Western that China might with advantage adopt the conveniences of Europe. It remains to be seen whether the railways which are being constructed throughout the country will not do what generations of diplomatic and commercial intercourse have failed to achieve. I cannot help thinking that the new agency will be a potent factor in the opening of the Chinese mind. Stolidly and even contemptuously indifferent, as the average Chinaman is, to the ordinary inventions of the West, he, it would seem, extends to railways a certain respect, and in some instances even receives them with a subdued enthusiasm. Wherever lines have been opened in populous districts, they have been freely patronised by all classes ; nor is there now the least difficulty in arranging for their construction. Indeed, in many instances I am told by gentlemen who have been engaged in preliminary survey work that the

chief anxiety of the people is to know when the railway will be ready. This is a strikingly different attitude to that assumed a few years ago, when the railway locomotive was looked upon as an accursed fire demon, to be banned the country at all costs.

The industrial side of Pekin in the sense in which we understand the term is of small account, for what few manufactures exist are of an insignificant kind and associated almost entirely with the supply of the domestic needs of the population. Later on in my tour, however, I had an opportunity of seeing the Chinaman working under Western conditions and with Western appliances. The occasion to which I refer was a visit to a cotton-mill at Wuchang, on the Yangtse. It was a splendidly equipped establishment, with the most modern machinery supplied by Messrs. Brooks, Doxey & Co., of Gorton, Manchester. It was with much interest that I looked forward to my inspection of this mill. Here, if anywhere, I thought, I should have an opportunity of seeing the growth of the industrial Yellow Peril with which we have been so often threatened by political and commercial alarmists. Here I should see in active operation the movement which, according to these individuals, is to wipe out eventually the Lancashire trade. I must say the result was far from supporting these exaggerated apprehensions. On all hands I found evidences of the ineradicable

difference there is between a British and an Asiatic industry, though the two may be outwardly conducted on the same lines. The work proceeded in a listless, half-hearted way, as if the object were to keep the production at the lowest possible level. There seemed no effective supervision, and the machinery was badly tended. Seeing what I did, I was not surprised to learn that the mills did not pay. It would have been remarkable if they had done so under such a slip-shod system. Some little time before I visited the place an Englishman had been employed as manager ; but he got himself disliked by pointing out robberies which took place, and was sent away. Honesty of the British pattern is at a discount in China. It seems to be a custom amongst the Chinese employees to regard their wages as a kind of retaining fee, and, according to their code of morality, it is quite justifiable to supplement it by any means, either honest or dishonest.

The mills at Wuchang are on a very extensive scale. There are fifty thousand spindles, and four thousand work-people are employed. I made inquiries as to the wages paid and conditions of labour, and as the details given me are of some interest as bearing on the question of the industrial future of China, I reproduce them. The wages, I was informed, were as follows :

Chief engineer ...	...	90 dollars per month	= £9
Second engineer ...	...	40 „ „	= £4
Machinists ...	15 to 40	„ „	= £1 10*s.* to £4
(The average I understand to be about 20 dollars.)			
Boys ...	...	6 to 12 cents per day	= 1½*d.* to 3*d.*
Coolies or unskilled labourers ...		10 cents per day	= 2½*d.*

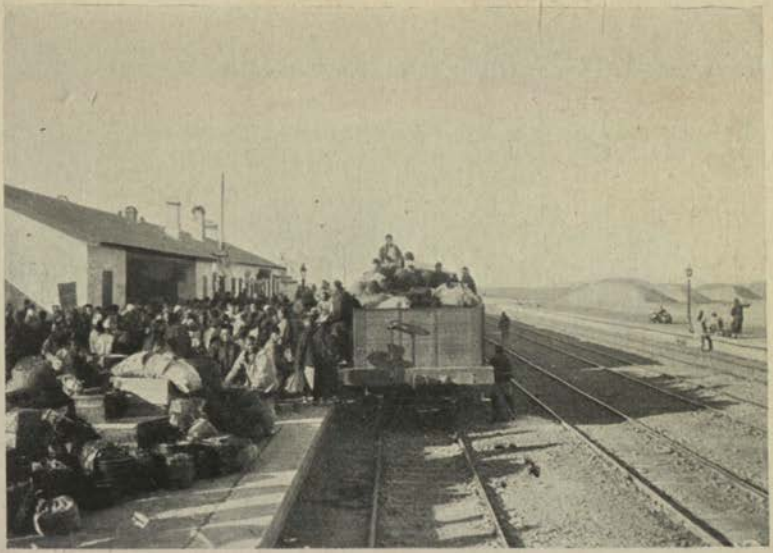
The employees work two shifts per day of eleven hours each, one hour for each shift being used for *chow—i.e.* dinner. These mills, I may add, are run by the viceroy of the province.

The extraordinary cheapness of labour which is revealed here is fairly typical of the whole of the Europeanised industries of China. On the railways the scale of payment is somewhat higher. For example, the following were given me as the average wages paid on the Northern Railway :

Stationmaster ...	...	50 dollars per month	= £5
First-class Cantonese drivers ...	60	„ „	= £6
Northern Chinese drivers	25 to 50	„ „	= £2 10*s.* to £5
Railway guards ...	8 to 16	„ „	= 16*s.* to £1 12*s.*
Ticket collectors ...	6 to 8	„ „	= 12*s.* to 16*s.*
Coolies' wages ...	... 4½	„ „	or 9*s.*

These are wages which would seem to make possible the most ruinous competition with the commercial enterprises of the West. Yet for the reasons I have indicated above I do not think that British trade, at all events, has much to fear from Chinese industries. Where, as in the case of rail-

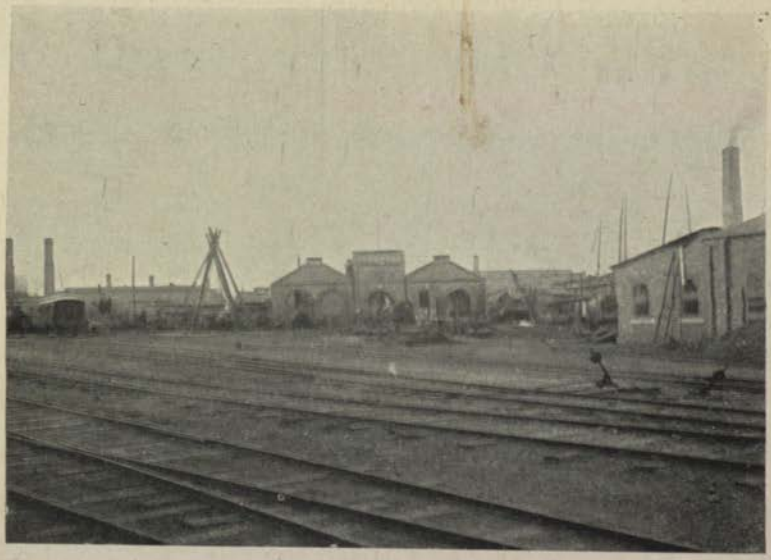
ways and of the cotton-mills at Shanghai, there is sound honest European management, the advantages of native labour can be reaped ; but in manufacturing concerns in which this factor is eliminated the cost of production is sure to be so greatly enhanced by the corruption and dishonesty which are engrained in the native character as to reduce the benefits of cheap labour to the vanishing point. I do not say that a time may not come when Chinese industry will be organised from without ; probably some such movement will be witnessed before the world is much older and on a large scale too. But even if this is done, it is not likely that the founders of manufacturing concerns will be able to do more than minimise the evils which I have indicated. The superior moral qualities of the Western workman will tell not less powerfully than his greater skill and adaptability, and, as in India, where he still holds his own in spite of native competition, he will continue to have a large share of the trade.



THE NORTHERN RAILWAY OF CHINA: A STATION SHOWING THIRD-CLASS PASSENGERS IN OPEN TRUCKS, WITH MULES AND BAGGAGE.

THE NORTHERN RAILWAY OF CHINA WHERE IT PASSES THROUGH THE GREAT WALL.

[*To face p.* 160.



TONGSHAN : RAILWAY WORKS.

SHAN-HAI-KWAN : RAILWAY WORKS.

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CHAPTER XI

STRUGGLE FOR CONCESSIONS — POLITICAL SIGNIFICANCE OF FOREIGN PROJECTS—HISTORY OF THE NORTHERN RAILWAY CONCESSION—OTHER BRITISH CONCESSIONS—THE PEKIN SYNDICATE—ITS VAST IMPORTANCE DESCRIBED BY LI HUNG CHANG—MR. GLASS'S EXPEDITION

THE battle of the concessions was in full progress when I was in Pekin. Since, it has been continued with varying fortunes for the contestants, but with the one tangible result that the face of China has been covered with the ambitious designs of European commercial syndicates. It is curious how rapidly events have marched. Not more than twenty years ago the Chinese tore up the rails of the Shanghai-Wusung Railway, a short line some six miles in length, and, it was thought, washed their hands for a century of railways. Less than a decade since there was not a single mile of line in the country, nor was there a single sanctioned project. At the present time concessions have actually been obtained for railway schemes with a mileage of 5,051, and

concessions are contemplated for 2,080 miles of line in addition. Meanwhile, construction is proceeding with feverish haste in many widely separated centres, and already trains are running over fully completed sections of railway in the heart of China. It is a wonderful transformation, and its significance, political and commercial, has as yet scarcely been realised in this country.

So remarkably little is known in this country outside expert circles of the progress of railway enterprise in China that I have got a friend thoroughly acquainted with the subject to put together for me a few reliable facts, brought up to date with reference to the various concessions which have been granted by the Chinese Government. The list is a long one, much longer, I think, than even those who follow Chinese affairs pretty closely imagine. First to be noticed is the Imperial railways of North China, to which, under the designation of the Northern Railway, I have referred in an earlier chapter. This line, which, though nominally a Chinese Government affair, was largely built with British capital, runs from Pekin to Tientsin, and thence to Newchwang, with a branch to Sin-Min Ting. It has a length of 550 miles, and as a link between Newchwang, Tientsin, and the capital has great commercial value. Its strategic importance is not less marked, for it supplies a direct road to

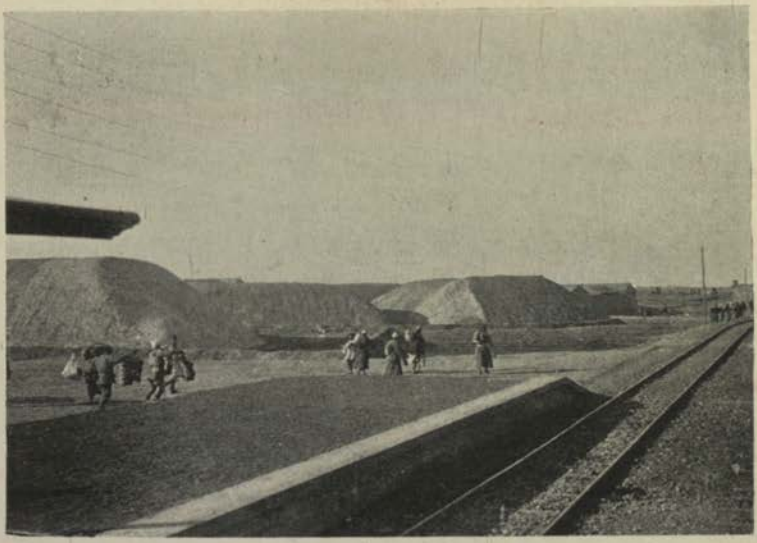
the capital from Manchuria, and establishes a connection between Pekin and the sea by way of Taku. Russia's repeated efforts to get control of the line attests its military significance. If the enterprise was in her hands, she would effectually dominate Pekin, since she would have practically uninterrupted communication between that city and Port Arthur. The scheme was being actively prosecuted when I was in China, and I had an opportunity, which I greatly enjoyed, of journeying over the line as far as Shan-hai-Kwan. My visit to the railway works at Tongshan was most interesting. I reproduce a note I made at the time of the matters that came under my observation:

Mr. Kinder, manager of the railway, met us. I went over the railway works, and saw that they were beginning to make machinery for themselves by Chinese labour. They have to import the iron ore from England and America. The work is not what one would exactly call finished, but Mr. Kinder says that it is quite good enough. Chinese labour is very cheap (twelve dollars a month equals 24*s.* for unskilled labour, and about £3 per month for engine fitters). Mr. Kinder showed me a railway engine which had been entirely set up by Chinamen, though most of the parts had been made in England. Mr. Kinder says that, all told, the railway engine in question cost about £200 less than if he had bought it from America. American engines are, by the way, generally condemned. They only last from five to seven years, and they use cast iron. English manufacturers introduce copper pipes and brass castings.

The only objection to English engines is that they last too long, and sometimes become obsolete. Mr. Kinder informed me that they made their own railway carriages, but import wheels, springs, etc., from England and some from Germany.

At Shan-hai-Kwan the line passes through the Great Wall at an aperture known as the Widow's Gap. The wall at this spot is 30 to 40 ft. in width and 60 to 70 ft. in height : 6 ft. on either side of the wall is brick. The contrast between this mighty rampart, one of the ancient wonders of the world, and the bustling modern railway is very striking. It speaks more than volumes of the change that is going on in China.

If British enterprise had made no other contribution to the development of China than this line, it would still have a respectable title to be regarded as, in an important sense, one of the pioneers of the opening up of China to trade. Fortunately, however, there are other and even more important projects standing to the account of our countrymen in the register of concessions. Taking first those which are least in evidence as regards already accomplished work, we have the Canton-Kowloon line—an important project which, when carried out, will supply a connecting link between our dependency, Hong Kong—the greatest trading centre in China, measured by the tonnage



THE NORTHERN RAILWAY OF CHINA.
(In the background of the picture are shown great mounds of salt.)

ON THE GREAT WALL.

[*To face p.* 164.

ON THE GREAT WALL.

COAL-MINING IN SHANSI: A MULE TEAM WITH A LOAD OF COAL (SEE PAGE 173).

[*To face p.* 165.

of shipping which passes through its portals—and the vast native city of Canton with its population of one and a half million souls. Less than a hundred miles separate this centre and Kowloon on the mainland opposite Hong Kong, and the country is not of more than average difficulty. But for some reason, which has not been divulged, no commencement has been made with the work of construction, though the concession was granted on March 29, 1898, and the line was surveyed some little time since.

Another British project of considerable importance which seems to hang fire is the Shanghai-Nanking Railway, which is designed, by a line some 210 miles long, to connect the great international treaty port with the well-known trading city on the Yangtse River. The preliminary arrangement for this concession was obtained by the British and Chinese Corporation in 1898, and the final agreement was signed on July 9th, 1903. It is a guaranteed line, and therefore in a specially favourable position; yet, notwithstanding that the survey of the line has been completed, and, it is understood, estimates of cost have been prepared, the work, for some reason, the exact nature of which I have not been able to ascertain, has not been started. Some say that the delay is attributable to difficulties raised by the Chinese authorities as to the manner in which the work is to be carried out, others aver that, owing

to the state of the money market, there is a difficulty in financing the scheme. The fact, however, remains that actual construction has not yet been put in hand.

The British and Chinese Corporation hold three other notable railway concessions, which, generally speaking, are still to a considerable extent on paper. There is, first, a line of 200 miles from Suchau to Hangchau, and thence on to Ning-po. The concession for this was granted at the same time as that for the Shanghai-Nanking Railway. Secondly, we have a line which starts from Pukou—a point on the Yangtse opposite Nanking—and terminates at Sinyang on the Luhan Railway. A party of engineers is now engaged on a survey of the line. Completing this trio of projects is a railway from Pukou to the southern border of Shantung. This line has a total length of about 225 miles, but about a hundred miles of it is common to it and the Pukou-Sinyang line just mentioned. That is to say, the latter enterprise will branch off at a point on this line about a hundred miles distant from Pukou. The concession for this line was obtained by the British and Chinese Corporation, presumably in 1898, and on similar terms to those of the Pukou-Sinyang line. The line is now being surveyed, but no construction work has been started. It may be mentioned that under a recent agreement

all railway concessions obtained by the British and Chinese Corporation and the Pekin Syndicate north of the Yangtse River are to be financed and worked on joint account. The railway of the Pekin Syndicate from Taokou in Ho-nan to Tsechau in Shansi is not, however, included in this agreement.

I now come to deal with what are decidedly the most promising concessions in British hands—those of the Pekin Syndicate—the enterprise alluded to in the foregoing paragraph. This corporation, alike from the importance of the interests entrusted to it and from the energy and foresight with which it has prosecuted them, deserves somewhat lengthened reference. Like many (it may be said most) important British undertakings for the opening up of foreign countries, the Pekin Syndicate had its origin in small beginnings. Its creator may be said to have been Chevalier (now Commendatore) Luzzatti, an Italian gentleman of exceptional business ability, who, in the earliest days of the movement for the commercial development of China, foreseeing the vast possibilities that there were in the acquisition of concessions, persuaded some of the leading men in the British financial world to send him out to Pekin to obtain the best he could of what might be going. Backed by a powerful group of financiers, he proceeded in 1897 to the Chinese capital. There he worked

with an energy, tact, and patience which in the long run overcame all obstacles and gained for the Syndicate which he represented what, all things considered, is probably the finest concession which has yet been granted by the Chinese Government. The character of the property is disclosed in a letter which the Chevalier brought home from Li Hung Chang:

It is indeed a relief to turn from the many schemes for the political exploitation of China to consider one purely industrial and devoted to the arts of peace. The Ministers of the Tsung Li Yamen hope that this first experiment to encourage the profitable investment of foreign capital in the interior of China will realise their expectations of benefit to Government and people, and help to provide the "open door" of which we hear so much and see so little.

The two contracts made with your Syndicate, after much Conservative opposition, apply to a large and continuous area of rich mineral lands in the province of Shansi on the west, and Ho-nan on the south of the metropolitan province of Chihli, with rights to construct branch railways to connect mines with main lines and river navigation in adjoining provinces.

For abundance of coal and iron in close proximity to each other there is no other part of China—and few parts of the world, experts say—to compare in importance with the region now opened to the Syndicate; petroleum has been discovered, and the Syndicate may work that wherever found in or near their concession.

With cheap and plentiful iron and coal the Syndicate can establish iron works on the spot to supply the

BRITISH ENGINEERS PROCEEDING TO SHANSI TO INSPECT THE COAL AND IRON MINING AREA EMBRACED IN THE CONCESSION OF THE PEKIN SYNDICATE.

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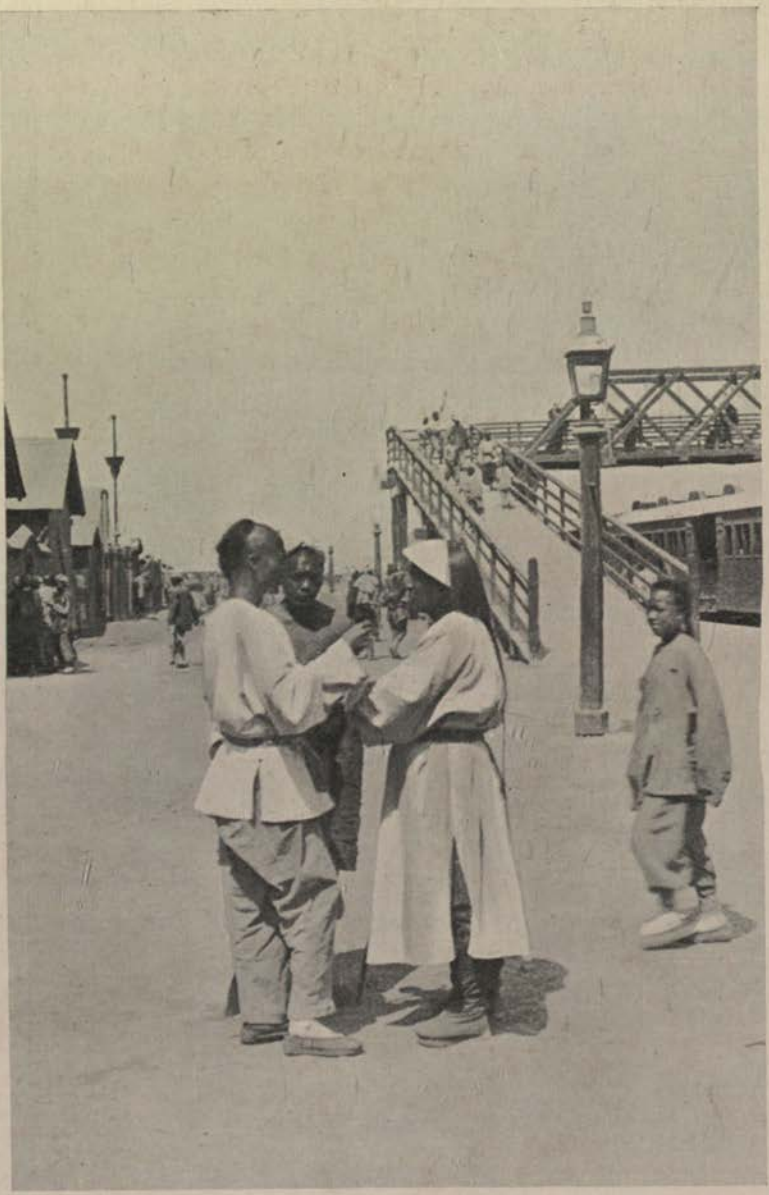

OUTSIDE A CHINESE RAILWAY STATION.

[*To face p.* 169.

enormous demand for manufactured iron and steel in every form required by China now and as she progresses.

The extensive area assigned to the Syndicate will in the near future be extended in the province of Ho-nan, south of the Yellow River, as soon as the Syndicate has proved its capability.

There is good reason to believe that in his estimate of the value of the concessions carried to London by Chevalier Luzzatti, Li Hung Chang did not exaggerate. It is probable that China has no richer mineral area than that covered by the operations of the Syndicate and embraced in the populous province of Shansi. Its enormous potentialities are strikingly brought out in the great work of Baron Ferdinand von Richthofen, the eminent geologist, who thoroughly explored this part of the country and who is the standard scientific authority on North China. The baron, after mentioning that his estimate of the coal area is 13,470 English square miles, proceeds:

As there is no interruption over this entire stretch in the continuity of the coal strata, and as at every point where the formation is visible at least 40 ft. of workable coal may be assumed to exist, a probable minimum quantity for the whole area of 630,000,000,000 tons of coal may readily be reckoned on. In this calculation I have taken the anthracite to have a thickness of 12 mètres and a specific weight of 1·5. Both figures are in all probability too low; but even at

these figures the anthracite would suffice to cover the coal consumption of the world at its present rate (300,000,000 tons annually) for a period of 2,100 years. Remembering, then, that only the most excellent anthracite is met with, that a seam of 15 ft. to 20 ft., though more often 20 ft. to 30 ft., in thickness exists, that the stratification may be considered as undisturbed, and that on all sides, particularly on the east—in consequence of the conformation of the exterior surface—the coal strata are exposed, and, further, that this formation is accompanied by an extraordinary wealth of superb iron ore, it may be contended that this coal region has not its equal in any other part of the world. Where in a line of 180 geographical miles long—as, for instance, between Yang Tshong Hsien and Yu Hsien—you are at almost every point bound to cut immediately into a vein of pure anthracite from 15 ft. to 30 ft. in thickness, there an unlimited supply of fuel is to be had at greater cheapness than in any other known region.

Baron Richthofen, in further remarks, ventures on the prophecy that in course of time there will be built up in Shansi "a mining industry of a unique kind." His words are not the mere outpourings of a visionary. All investigation that has been made points to the value of this area. Towards the end of 1898 an expedition under the charge of Mr. J. G. H. Glass, C.I.E., M.Inst., C.E., late chief engineer and Secretary to Government, Public Works Department, Bengal, was despatched to China to survey the area of the

concession and report to the Board in London upon it. Mr. Glass's report, which lies before me, is an intensely interesting compilation, bringing into vivid perspective the mining country in the provinces of Shansi and Ho-nan as seen with the eyes of an expert. Necessarily the dry, scientific facts to be looked for in a business report predominate; but there are interspersed with the professional matter many graphic little descriptions which throw an interesting light on the conditions of life in the interior of China and the attitude of the population towards the new ideas which are leavening the vast mass of Chinese conservatism. Here is one passage which is opposed to the generally received notion that the natives of the interior are fanatically opposed to Western innovations:

We mixed freely with the people, and never experienced the slightest rudeness or incivility. Indeed, they welcomed us cordially and evinced the greatest interest in our expedition. We were asked many questions through our interpreters as to the objects of the mission, and when they were told that one of our objects was to open up the country with railways they expressed the greatest delight at the prospect. A judicious distribution of tobacco and sweets was much appreciated, and helped to create a favourable impression of us amongst them. I had been led to understand that it would not be safe to go amongst the people unarmed, and was advised always to carry a revolver. I got one, and each European of the party

also had one, but from the time I packed it up in my kit, till I returned to Pekin, I did not see it. I had nothing but a walking-stick all the time I was in the interior, and wanted nothing more. The only grievance we had, and that a very minor one, was the insatiable curiosity displayed by the people. They were curious about everything; our garments, boots, saddlery, excited their wonder, and crowds collected at the entrance to the inns to watch our every movement, but they were always well behaved, placid, friendly, and respectful.

In another portion of the narrative a pleasing incident is mentioned which occurred at Huai King in Ho-nan, illustrative of the honour in which the name of General Gordon is still held in the interior of China. The military mandarin commanding the forces in that part of the country, hearing of the arrival of Englishmen, sent a message to say that he would like to call to offer them a welcome; he accordingly called the following morning, attended by a large retinue.

We found him, Mr. Glass says, a most courtly and pleasant-spoken old gentleman. He said he had served under General Gordon—or Gorton, as he pronounced it—in the suppression of the Taiping Rebellion, and entertained the highest respect and admiration for his great qualities both as a man and a soldier; and that it was the high appreciation he felt for the great services rendered to China by our countryman which induced him to make our acquaintance. He fought his battles over again and spoke eloquently and feelingly

of the great qualities of his revered commander. No greater tribute of respect to the memory of a good man could have been paid than this. He extended to us the hand of friendship merely because we had the good fortune to be the countrymen of General Gordon, whom he loved. It was to me most touching and I could not repress a feeling of pride on hearing the great Gordon spoken of in such high terms by one who loved and respected him, not only for his valuable services to China, but for himself.

Travelling over execrable roads, the worst he has seen anywhere, Mr. Glass declares, he and his party eventually reached the *locus in quo.* It fully answered the most sanguine expectations formed of it. Everywhere on the journey, from the north of Shansi to the south, coal was prominent.

If we did not see it cropping out at the sides of hills and in the valleys, it was still everywhere in evidence, for it was being carried on the backs of mules and donkeys to distant markets. At all the towns in the coal region it is freely used by the people, and at every inn we stopped at it is used for cooking and general purposes. It emits practically no smoke, has a slight but clear flame, does not alter much in form and leaves very little ash.

From what he saw, Mr. Glass has no hesitation in saying that a detailed examination of the coal deposits of this region will show that it contains possibly the largest known coal-field in the world and that the coal generally is of a very superior

quality, suitable without preparation for smelting purposes as well as for use in engines.

This estimate of the extraordinary richness of the coal measures in the Shansi district is fully supported by the evidence furnished by the investigations of Mr. W. H. Shockley, an American engineer of great experience, who had earlier made a tour in this area. This gentleman's report reads almost like a fairy-tale, yet it is only a sober relation of facts which came under his notice. Describing the methods of mining adopted at a large mine in the vicinity of Tsechau, he mentions having seen one block of coal that had just fallen which was 50 ft. by 30 ft. by 12 ft. thick, or over a thousand tons in weight. In regard to anthracite coal, while he will not venture upon the number of tons of coal available in the deposits in the Shansi district, he says, "It is absolutely certain that they contain enough coal to supply the whole world for many generations to come." As to bituminous coal, in the district of Ping Yang Fu, "it is perfectly safe to say that the supply is practically unlimited."

Besides these remarkable coal deposits, Shansi possesses, chiefly in the Tsechau region, rich deposits of iron ore of a superior quality. For centuries, it is said for more than a thousand years, the district has been the seat of a flourishing native

industry. Iron, manufactured by rude methods in small establishments, each of which makes a speciality of a certain set of articles for which it has gained a reputation, is sent to many parts of China; and it is stated by Baron Richthofen that the Chinese prefer the Shansi wrought iron to the imported European article, if the prices of both are equal.

It is evident, remarks the baron, that the great success which the iron manufacturers of Tsechau attain, by application of the apparently rudest methods, must be due, in a great measure, to the superiority of material they supply. It is the few hundred feet of productive coal formation which furnishes them an abundance of every kind of material they require: firstly, an iron of great purity, rich in metal and easily fusible; secondly, all sorts of clay and sand, such as are required for crucibles, moulds, etc.; thirdly, a very superior anthracite.

Analytical tests made of samples of the ores taken personally by Mr. Glass from large stacks at Tai Yang, where smelting furnaces were at work, fully supported the opinion expressed by Baron Richthofen. The verdict given by an eminent authority at home was that the ore was "of excellent quality for smelting purposes, the yield of metal being equal to that of good Spanish ore."

The value of the deposits, whether of coal or iron, in Shansi is greatly enhanced by the extraordinary

cheapness and abundance of labour in the mining region. The wages range from 2½*d.* to 3*d.* per diem for unskilled labour, to 1*s.* 6*d.* per day for the superior class of workmen. Shansi wrought iron, which is made from the cast by heating with wood, is now sold on the spot at £2 10*s.* per ton. With improved methods it could beyond doubt be produced at a much lower price. As to cast iron, a careful estimate made by Mr. Glass, based on ascertained data, shows that while the cost of producing a ton of pig-iron at Pittsburgh, in America, is £1 12*s.* 5½*d.*, and at Middlesborough £2 12*s.* 2*d.*, at Tai Yang, in Shansi, it is not more than 12*s.* 1½*d.* It is needless to emphasise the significance of these figures.

It was hoped at one time that valuable petroleum deposits would be discovered in Shansi, but investigation did not encourage the building up of any great hopes of developments occurring in this direction. It exists undoubtedly in the neighbouring province of Shensi, but in Shansi itself no surface indications of the presence of the oil have yet been discovered. It must be remembered, however, that Shansi alone embraces an area of over 50,000 square miles and that for the most part this is still, for scientific purposes, an unexplored region. It may therefore very well happen that at some future day the deposits of which rumour has been so

persistent may be revealed. Meanwhile, however, the proper development of the coal and iron resources, in conjunction with the prosecution of railway schemes necessary to the opening up of the province, will supply work which will tax the energies of the operators to the utmost.

An earnest of the manner in which it is proposed to utilise the enormous privileges conferred by the concession is provided by the efforts already made to secure an outlet for the minerals by the construction of railways. The initial scheme undertaken was a comparatively modest one. It was for the running of a line from Taokou in Ho-nan, a town on the Wei River, to Tsechau in Shansi. The latter place is the great centre of the coal and iron district, and Taokou is in water communication, by means of the Wei River and the Grand Canal, with Tientsin. The concession for the project was obtained in 1896. In 1900 a staff of engineers was sent out to commence the work of construction. The Boxer troubles, however, intervened to upset the arrangements; and it was not until 1902 that it was possible to make a proper start. When at length the way was cleared, rapid progress was made. In spite of the fact that all the material for the line, such as rails, sleepers, bridge-girders, and rolling stock, has had to be conveyed from Tientsin over six hundred miles of river and canal,

75 of the 120 miles of the line have been completed, and trains are actually running over this section, while twenty-one additional miles are in hand. Within a few months, if nothing untoward occurs, the whole scheme will be completed, and the Syndicate will be free to turn its attention to other and more wide-reaching projects of railway extension.

Meanwhile the coal deposits are being exploited with energy in the Chinghwa coal-field in Ho-nan. Already what was a bare field a few months ago is the centre of a flourishing British settlement. The operations are conducted on the most approved Western lines. Two shafts are being sunk to reach the coal, which borings have shown is met at a depth of 650 ft., and so far as can be judged they will be completed by the end of the current year, when coal will be won. A siding connects the colliery with the railway to Taokou. Powerful pumping machinery has been introduced to cope with the water met with in sinking, and all the appliances and machinery used in the works are of the most recent and approved description. In short, a promising beginning has been made with a great enterprise.

Had not circumstances occurred to circumscribe the work, there is little doubt that a further important railway project would have been well in

hand by now. As will be seen by a glance at the accompanying map, the Taokou-Tsechau line is, to a large extent, "in the air." It provides an outlet of a kind by way of the Wei River and the Grand Canal to Tientsin, but that is entirely inadequate for the vast trade which may be looked for with confidence from the concession. The regulations agreed to by the Chinese Government directly contemplate the necessity of establishing communication with the sea. The salient clause (17) is as follows:

> Whenever it may be necessary for any mine to make roads, build bridges, open or deepen rivers or canals, or construct branch railways to connect with main lines or with water navigation to facilitate transport of Ho-nan coal, iron, and all other mine products from the province, the Syndicate, on reporting to the Governor of Ho-nan, is authorised to proceed with the works, using its own capital without asking for Government funds.

This is perfectly explicit. The grantees are to be at liberty to "construct branch railways to connect with main lines or with water navigation" wherever such action is necessary to facilitate the transport of the mineral products of the concession area. In accordance with the terms of the clause, there was applied for, and obtained, in 1899, a concession to build a railway from a point at, or

near, Kaifeng, on the Luhan Railway, to Su, where it would connect with the Shantung Border Railway, on the Pukou. The object of the line is to connect the coal and iron mines in Ho-nan and Shansi with the Yangtse River at the town of Pukou. It is the most direct route to the sea from the mines and is essential for the full development of the property. The Chinese Government agreed in principle to the construction of this line, but nothing definite has yet been settled in regard to commencing it. The fact of the matter is that the project has been blocked by the influence of foreign Powers, exercised deliberately, it would seem, to prevent the *concessionaires* from realising the full possibilities of their estate and at the same time to push their own schemes in what has been again and again laid down as our sphere of influence. Under a strong and far-seeing British policy such a state of affairs would not have been tolerated for a day. The Chinese Government would have been kept to the clear terms of their compact and they would, furthermore, have been given to understand that in no circumstances should we permit the granting to foreigners of privileges deliberately designed to neutralise the advantages, properly accruing, of the enterprise. Unfortunately the needs of the situation have not been recognised as they ought to have been. Our

attitude has been alternately one of aloofness, apathy and drift, with the natural and inevitable consequence that power has been given to the intrigues of the rivals of this country and the Chinese Government has felt itself able to decline stolidly to make any move. I cannot suppose that the Government will permit the obstruction to have permanent results. It is not a simple matter of the rights of a trading company. British prestige demands that the Pekin authorities shall adhere to the letter, as well as the spirit, of this agreement by giving their consent to the construction of the line.

CHAPTER XII

FOREIGN RAILWAY CONCESSIONS—FRENCH AND RUSSIAN PROJECTS—A GREAT AMERICAN ENTERPRISE—GERMAN LINES—DETAILS OF CONCESSIONS

MUCH as there is for congratulation in the prospects of British trade in China, as we have seen in the previous chapter, when we come to survey the whole field of railway development we find circumstances which are not altogether gratifying to the national *amour propre.* The foreigner, represented by the Russian, the French, the German and the Belgian, has been remarkably busy in picking up what at one time were the unconsidered trifles of concessions for great railway projects. While our diplomatists slumbered and slept, or looked somewhat superciliously on the scramble for the rich crumbs which were falling from the mandarin's table, the representatives of other Powers were singularly wideawake and got hold of some exceptionally good things. There was no delusion about regarding a concession for a railway as a mere trade concern. Under all the schemes was

a definite political purpose and the commercial advantage was striven for as an instrument in the attainment of that purpose. Now the situation is better understood in our Foreign Office and there is no longer the risk there once was of the political ground being cut from under our feet by some insidious diplomatic intrigue dressed in the innocent guise of a project for railway development. But the ground lost in the first instance is impossible of recovery: a foothold has been gained by our rivals in several directions, from which they cannot be ousted. The most that we can now do is by judicious co-operation and energy to endeavour to counteract influences which, if permitted full play, would be disastrous to our interests.

One of the earliest, as it is also the greatest, of the foreign railway schemes is that for the Pekin-Hankow line, which runs directly south from the capital for 700 miles until it reaches the great town in the Yangtse basin. This is generally known as the Luhan Railway. In the year 1896 a Chinese Imperial edict sanctioned the pursuance of a more extended policy of railway construction, appointing His Excellency Sheng Hung Shuen Director-General of Railways with special reference to the immediate construction of a north and south trunk line from Pekin to Hankow on the Yangtse River.

In 1896 a group of Belgian financiers formed a company for the study of railways in China, and, aided by the quiet support of France and also, it is said, of Russia, obtained in 1898 the concession for constructing this line. The Chinese Government issued a gold loan of £4,500,000, of which £2,500,000 was offered to the public in April, 1899, and the balance was issued in March, 1902. This was too large an undertaking for the small money market of Belgium, and it was arranged that France should take up one-third of the loan on condition that an important part of the orders for plant, etc., should go to French manufacturers. In addition, France promised to help the undertaking diplomatically. The line is said now to be more French than Belgian. M. Cailleux, French Finance Minister, in a speech to the Chamber of Deputies in 1901, said, "The Pekin-Hankow Railway being an essentially French affair, I have asked the company to employ a larger number of our compatriots and to dismiss foreigners." Construction was commenced in 1898-9, but was stopped during the "Boxer" troubles, when some damage was done to the works by tearing up rails and the destruction of a few minor bridges. The sum, however, set aside as indemnity for the injury done to the works, etc., by the Boxers was no less than 26,000,000 francs. Work was pro-

ceeded with from Hankow and Pekin simultaneously. From Pekin to Chengting (where the Russian line to Tai Yuan branches off), a length of about 150 miles, the line was opened about a year or more ago, and was being pushed forward vigorously towards the Yellow River, which is crossed at about 380 miles from Pekin. It was expected that the line would have been carried as far as Changte, some 292 miles from Pekin and 88 miles north of the Yellow River, by about the end of 1903. The distance from the Yellow River to Hankow is about 300 miles. From recent information it is understood that the line from the north will reach the Yellow River by April, 1905, and from the south in July, 1904. It is further mentioned that the bridge over the Yellow River will be completed by January, 1906. If this is the case, there will be through communication between Pekin and Hankow early in 1906.

An arm of this great line, and practically a part of the scheme, is a railway 153 miles long from Chengting, some two hundred miles south of Pekin to Tai Yuan in Shensi. This concession was obtained by the Russo-Chinese Bank in 1898. A condition was that construction was to be begun within two years from April 26, 1898; otherwise the agreement was to be null and void. An edict

was issued by the Chinese Government on October 13, 1902, sanctioning the raising of a loan in Paris of 40,000,000 francs, negotiated by Sheng, Director-General of Chinese Railways, with the Russian Bank for the construction of this railway on conditions similar to those of the Luhan (Franco-Belgian) contract. It will be observed that the original agreement had expired; but the Russians not only got it renewed, but they improved upon the original terms: for whereas there was formerly no Chinese Government guarantee, the line is now granted to the Russians with a guarantee.[1] British engineers who have been over the alignment to be followed by this railway state that the country is so difficult that a 4′8½″ gauge line of the character contemplated cannot be properly built and equipped for the sum provided.

With the prospectus issued in Paris, when the loan was, it is said, subscribed three times over, there was a map showing that the railway was eventually to be extended from Tai Yuan down the valley of the Fen River to the Yellow River, where it would pass near to, if not through, Tung Kwan, a place of great strategical importance to which I shall have occasion to refer in the next chapter, and from there on to Sian, the ancient capital of China, to which the Court of

[1] *Times*, Saturday, October 18, 1902.

China fled when the allies occupied Pekin during the "Boxer" troubles. The distance from Tai Yuan to Sian is about four hundred miles, and the country generally most difficult. The ultimate object of this line is unquestionably Sze-chuan.

In the foregoing enterprises the influence of Russia and France is plainly visible. In the next project to be noticed we have, introduced upon the scene, the great Republic of the West. Our American cousins, with characteristic love of big things, have fathered an undertaking which in point of mileage is greater than any other individual railway scheme in hand at the present moment in China. It is the Hankow-Canton Railway, a line which is practically a continuation south of the Luhan Railway. It has a length of 918 miles, and when completed will enable a traveller to make a continuous journey south from Pekin by railway for over 1,400 miles. The concession has been granted to the American China Development Company, who have agreed to provide £5,000,000 sterling, or more if required, for the building and equipment of it. Imperial Chinese Gold Bonds are issued, or to be issued, covering the loan, and carrying 5 per cent. interest, payable half-yearly. Bonds are to be taken at 90 per cent. of par value. The date of the preliminary contract is April 14, 1898. The distance from Wuchang (south of the Yangtse and opposite

to Hankow) to Canton is 740 miles. In addition, there are branch lines to Ping Hsiang, 66 miles; to Yoh Chou, 25 miles; to Siang Tang, 9 miles; these with sidings 78 miles gives the total length of 918 miles. The survey of the whole line was completed some time ago, and construction is going on, though with no great vigour. Eleven miles of the railway between Canton and Fatshan were opened on November 4, 1903. It is said that the Belgians have subscribed to this undertaking to the extent of two-thirds of the total, and that King Leopold is largely interested in it. It is also said that the Belgians have been put forward by the Russians and the French to represent them.[1]

In their own sphere the French are exceedingly active. Their railway schemes in the provinces of Kuangtung, Tongking, and Yunnan embrace a total mileage of 800. In addition, they are contemplating an extension 350 miles long to Siu Fu, on the Yangtse River in Sze-chuan, where it is understood they have purchased nine miles along the river frontage. Yet another project is the line from I-chang to Chungking in Sze-chuan. It is understood that the French Government have given a guarantee for the construction of railways

[1] *North China Herald*, May 14 and July 31, 1903.

in Yunnan, so that there is no difficulty in finding money. Considerable progress is believed to have been made with the line, which, when completed, will add 350 miles to the lines standing to the French account.

A first-cousin to the French schemes, if it cannot actually be included in them, is a comparatively short line (120 miles long) from Kaifeng to Ho-nan. This concession was obtained by the Belgians. The Paris correspondent of *Frankfurter Zeitung* gives the following details concerning the enterprise :

The Compagnie Générale de Chemins de Fer et de Tramways en Chine has made an agreement, confirmed by the Chinese Government, with the Compagnie Impériale des Chemins de Fer Chinois for the construction of above railway line, starting from Yungtse, where the Luhan line crosses the Yellow River, and to be conducted from that point eastward to Kaifeng, and to Ho-nan westward. The cost of the line is estimated at 25,000,000 francs, to be covered by a 5 per cent. Chinese gold loan. The terms of the contract are similar to those for the Pekin-Hankow line. The issue of the loan has to be made within nine months from the signing of the contract, November 12, 1903, and is to take place in Paris and Brussels at 92½ per cent. (462½ francs for the 500 francs bond) as soon as the position of the markets admits. The syndicate includes the Banque de Paris and Pays Bas, the Société Parisienne Électrique, the firm of Empain at Brussels and Benard & Savislowsky in Paris.

This line was first applied for by the Pekin Syndicate in 1899, but they were not successful in obtaining it.

Last calling for notice amongst the foreign concessions are those obtained by Germany. Four separate projects stand to the account of the Kaiser's subjects. The first is a line proceeding from the Shantung border to Tientsin. Secondly, we have a scheme for connecting Kiao Chau with Tsinan by a line 250 miles long. A third line continues the railway system from the last-named place to Chengting on the Luhan Railway, 175 miles away. Finally, there is a project for a line 150 miles long from Yen Chau to Kaifeng, south of the Yellow River on the Luhan Railway. The undoubted object of the three last-named railways is to draw all traffic from Tientsin, Chengting Junction and Kaifeng—that is, from the north, west, and south-west to the German port of Kiao Chau. The Tsinan line is well in hand, about 180 miles being completed from Kiao Chau, and the balance, 70 miles, under construction; but it does not appear that much progress has been made with the other projects.

A convenient summary of the position will be found in the following tables, showing the concessions obtained and those contemplated:

CONCESSIONS OBTAINED.

NAME OF RAILWAY.	LENGTH MILES.	GAUGE.	REMARKS.
Imperial railways of North China	560	4′ 8½″	British capital largely interested
Pekin-Hankow Railway ...	700	,,	Belgian and French
Chengting-Tai-Yuan Railway	153	,, (?)	Russian
Hankow-Canton Railway...	918	,,	Americans, Belgians, and Russians interested
Canton-Kowloon Railway	100	,,	British
Shanghai-Nanking Railway	210	,,	British
Suchau to Hang Chau and Ningpo Railway ...	200	,,	British
Pukou-Sinyang Railway ...	200	,,	British
Pukou to southern border of Shantung	125	,,	British
Taokou to Tsechau in Shansi	120	,,	British
Shantung border to Tientsin	270	,,	German
Kiao Chau to Tsinan ...	250	,,	German
Tsinan to Chengting ...	175	,,	German
Yen Chau to Kaifeng ...	150	,,	German
Tongking and Yunnan ...	800	,,	French
Kaifeng to Ho-nan ...	120	,,	Belgian
Total length	5,051		

CONCESSIONS CONTEMPLATED.

NAME OF RAILWAY.	LENGTH MILES.	GAUGE.	REMARKS.
Sinyang to Chentu in Sze-chuan	680	4′ 8½″	British
Chungking to Shunking	100	,,	British
Tai Yuan to Sian	400	,,	Russian
Yunnan to Sze-chuan	350	,,	French
I-chang to Chungking	350	,,	French
Kaifeng to Su on Shantung border railway from Pukou	200	,,	British
Total	2,080		

These additional tables will also be found useful and interesting:

CONCESSIONS OBTAINED.

NATIONALITIES.	LENGTH MILES.
Chinese	560
Belgian and French	700
Russian (exclusive of the Manchurian lines)	153
American	918
British	955
German	845
French	800
Belgian	120
Total	5,051

CONCESSIONS CONTEMPLATED.

NATIONALITIES.	LENGTH MILES.
British	980
Russian	400
French	700
Total	2,080

It is perfectly clear from these tables that we do not occupy the position in the field of Chinese railway development which is ours by virtue of our enormous trade interests in the country and our (until recent years) predominating political influence. Less than a fifth of the concessions granted are in respect of British lines. We have only a fourth greater mileage than Belgium, and but an eighth in excess of Germany. If we look at accomplished work we are even less advantageously placed, for while little has been done by British capitalists outside the Pekin Syndicate's area, the Belgians, the

French, and the Germans are all well under weigh with most important schemes. Priority of construction means a good deal in a country like China, which is perfectly virgin soil for railway enterprise, and it is to be feared that some of the leeway lost can now never be entirely recovered. The utmost that can be hoped for is that we shall secure for ourselves a commanding position in those portions of the country which are embraced in our sphere of influence, and at the same time establish lucrative connections with lines in other regions by the exercise of a judicious diplomacy. The more detailed aspects of this question I must leave for discussion in a separate chapter.

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CHAPTER XIII

SIGNIFICANCE OF FOREIGN RAILWAY ENTERPRISE—RUSSIAN AND FRENCH PROJECTS—GERMAN SCHEMES—AMERICAN INTEREST IN RAILWAY DEVELOPMENT—BRITISH CONCESSIONS—FUTURE LINKING UP OF THE INDIAN RAILWAYS WITH THE BRITISH CHINESE LINES.

IF you take a map of China with the railway concessions clearly marked on it, you have a perfect index of international ambitions. It says more plainly than reams of official despatches what views particular countries take of the future of the Chinese Empire. Tracing these various lines from beginning to finish, and joining them up with enterprises, it may be many hundreds of miles away, you can with almost mathematical certainty determine what are the hidden motives which have directed their promotion.

Let us glance first at the schemes of Russia and France. It would certainly appear from the map that the two countries are working in unison. The great Luhan Railway which connects Pekin with Hankow, as we have seen, is to all intents and purposes a French line. It links up with the great Russian railway coming from the north to Pekin, and may

be regarded as an extension of it. This, however, is only a small part of the far-reaching designs which are evidently in contemplation. Other lines are being prosecuted by the two Powers in opposite ends of the Empire—lines which will ultimately unite, and which, when united, will give Russo-French communication between one extreme of the Chinese Empire and the other, passing through on the way the very heart of our own sphere of influence. The French enterprises actually sanctioned (apart from the Luhan Railway) are limited to the provinces of Kuangtung, Tongking, and Yunnan, which are well within the legitimate sphere of the Republic. But the contemplated extension to Siu Fu in Sze-chuan will carry the French influence far beyond into a region which we are supposed to dominate politically. The trade advantages of such an extension to France would be without doubt enormous. But it is from the political standpoint that the move appears most significant. When the line reaches Siu Fu, it will be well on the road to the objective of the railways under Russian influence advancing from the north-east. The projected Russian line through Mongolia will eventually give direct access to Pekin from the Siberian Railway at Khailar. From Pekin the Luhan Railway already carries the French colours to Chengting. From that point to Tai Yuan another stride is made by

the sanctioned Russian line. This is only the preliminary to a further and yet bolder flight towards the goal, for in the list of contemplated concessions given in the previous chapter we have a project for a line from Tai Yuan to Sian, the ancient capital of China. The line will pass close to Tung Kwan, a place of great strategical importance, situated near to the almost right-angled bend made by the Yellow River, where it enters the province of Ho-nan. Tung Kwan is on the road along which all the traffic between the plains of China and Central Asia passes, and is known as the gate of Central Asia. It has been described by Baron Richthofen and Colonel Mark Bell, V.C., R.E., and occupies a commanding position, as well from a strategical as from a commercial point of view. Its importance cannot be overestimated. Here for the time being Russian enterprise stops—but, we may safely assume, only for the time. Between Sian—the most advanced post, as we may appropriately term it, of Russian railway influence—and Siu Fu, the point to which French schemes are advanced, there is not a very wide breach. The two points, in fact, might be connected by a line of probably less than five hundred miles in length. Can we for a moment suppose that the intention is not to supply this link eventually? Looking at the enormous energy

and pertinacity with which the projects of both Powers have been prosecuted, it would be folly to imagine otherwise. There can be no doubt that a Russo-French line traversing the Chinese Empire from end to end is one of the certainties of the near future.

When we proceed to examine the German projects we find them marked by the same definite political aims. Germany, unlike France and Russia, has no far-reaching scheme of domination to work out. But she has, nevertheless, a programme of her own of no insignificant kind. Her ambition is to draw all the trade of Northern China to Kiao Chau, the port in Shantung upon which she has expended so much. Keeping this object steadily in view, she has carefully prepared a scheme of railway construction which will tap at several important points in the interior the stream of commerce and divert it by the natural law of trade gravitation to the seat of her power in the Far East, which she hopes may some day compare with even Hong Kong in the volume and importance of its trade. Three widely separated but important centres outside Shantung are reached by her lines. One railway connects the province with Tientsin; the second reaches out to Chengting, from whence it may hope to draw to Kiao Chau the resources of the Northern Shansi coal-fields by

means of the Russian railway to Tai Yuan ; and the third line gives access to the trade of the middle basin of the Yellow River at Kaifeng. All three projects are well planned ; but experience can only show whether the hopes built upon them are realisable. The impression of commercial men on the spot is that the railways will never be able to do more than attract a moiety of the internal trade the flow of which is now either north to Tientsin or south to Shanghai. What German energy and determination can do, however, we may be sure will be accomplished, for of all the Kaiser's oversea possessions this is the one by which greatest store is set in Berlin.

The important Hankow-Canton Railway—the longest line under a single concession yet projected in China—is classed as American, but its association with the United States is purely financial, and even at that it is not exclusive, for, as we have shown in the previous chapter, both the Russians and the Belgians have a substantial interest in the undertaking. It is, therefore, by no means beyond the bounds of possibility that some day the American interest will be transferred and the project merged in the great Belgo-French Luhan Railway. Thus we have in prospect the completion of two great trunk lines through China under Russo-French domination, one running west through the

extreme length of Northern China and joining with the French lines coming up from Tongking and Yunnan, and the other proceeding due south from Pekin to Canton. This is a development which we cannot but anticipate with serious misgiving. Apart from the political leverage which this enormous railway interest will give to the detriment of our influence, the character of the commercial policy of both Russia and France makes it almost certain that the lines will be worked to our disadvantage. Our one consolation is that the plans have not been by a very long way consummated. Unless the war leaves Russia much stronger financially than it appears at all likely to do, it is scarcely possible that she will be in a position to seriously prosecute the designs to completion. In the meantime British enterprise will probably have appeared seriously to dispute the most important part of the field with the Russo-French combination.

On a survey of British enterprise, actual and prospective, we discover a boldness of conception worthy of the best traditions of our country's commercial policy. If projected schemes are carried out, we shall have under our control a great line of railway commencing at Shanghai and running through the most fertile and populous part of the Yangtse Valley for nearly a thousand miles to Chen Tu in Sze-chuan. Such a line would give

a reality to our sphere of influence, and without doubt be enormously beneficial to our trade, which would find a ready and cheap means of access to some of the best markets in China. But its most important recommendation is that it would go a long step towards making that bond of communication between our Indian Empire and China which has so long been the dream of the more enterprising of our Indian statesmen. From Chen Tu to Bhamo, our frontier post in Burmah, where the railway system now ends, is not more than five hundred miles ; and though the country is throughout mountainous and the population is so sparse that no paying local traffic could be looked for, the political advantages of the line would be so enormous that the Government would be thoroughly justified in taking up the line on their own account. The cost would certainly be great, but probably the scheme would not be nearly so expensive as the Uganda line, which can never bring a tithe of the benefits which this Indo-Chinese railway would confer. I can only join in the hope expressed by all leading Anglo-Chinese who have studied the question, that with the further development of railway enterprise in China it will be realised by the Government that this linking up of India and China by means of a railway is absolutely essential in the highest interests of the nation.

It must be acknowledged that the great all-British route from Shanghai to Sze-chuan to which we have referred is still to a very large extent on paper. Powerful interests—French and Russian—are contending for the right to advance to the same goal from different points, and we may be sure that they will not readily relinquish the field to us. In this matter, however, the Government are backing the application with a wholeheartedness which is an augury of ultimate success. Happily there is no question here of drawing a distinction between political and commercial claims to diplomatic assistance. It is clearly recognised that if our interests, political and commercial, are not to be seriously compromised, we must determinedly press our title to construct this line, which lies entirely within our sphere of influence.

The suggestion has been thrown out that a settlement of the vexed question of the line to Sze-chuan may be reached by an arrangement between the British and the French interests, under which each would obtain definite advantages either in this sphere or elsewhere. Possibly some such settlement may be arrived at, more especially as there is now the best of feeling between the two countries, and old rivalries have been as a consequence largely mitigated. Indeed, there are some influential men interested in British trade in China

who go so far as to advocate that we should enter into a general agreement with France for the exploitation of China by railways on a joint system. I do not know how far such a concordat would be feasible: I fear that for some time to come at all events it will be impracticable, having regard to the extent to which France is involved in Russian schemes. There can be no doubt, however, that both France and ourselves have much to gain and little to lose by an amicable understanding on all Chinese railway matters. France naturally wants to secure for her Indo-Chinese possessions a share of the prosperity which may be expected to follow in the train of the construction of trunk railways in China, and we quite as naturally desire to obtain the unobstructed path as well as the open door for our goods. The two things are not at all incompatible. Anyway, there is ample room and to spare for both countries in this particular field of action, and it would be a thousand pities if mutual jealousies were permitted to stand in the way of the execution of schemes from which both might expect to derive substantial advantage.

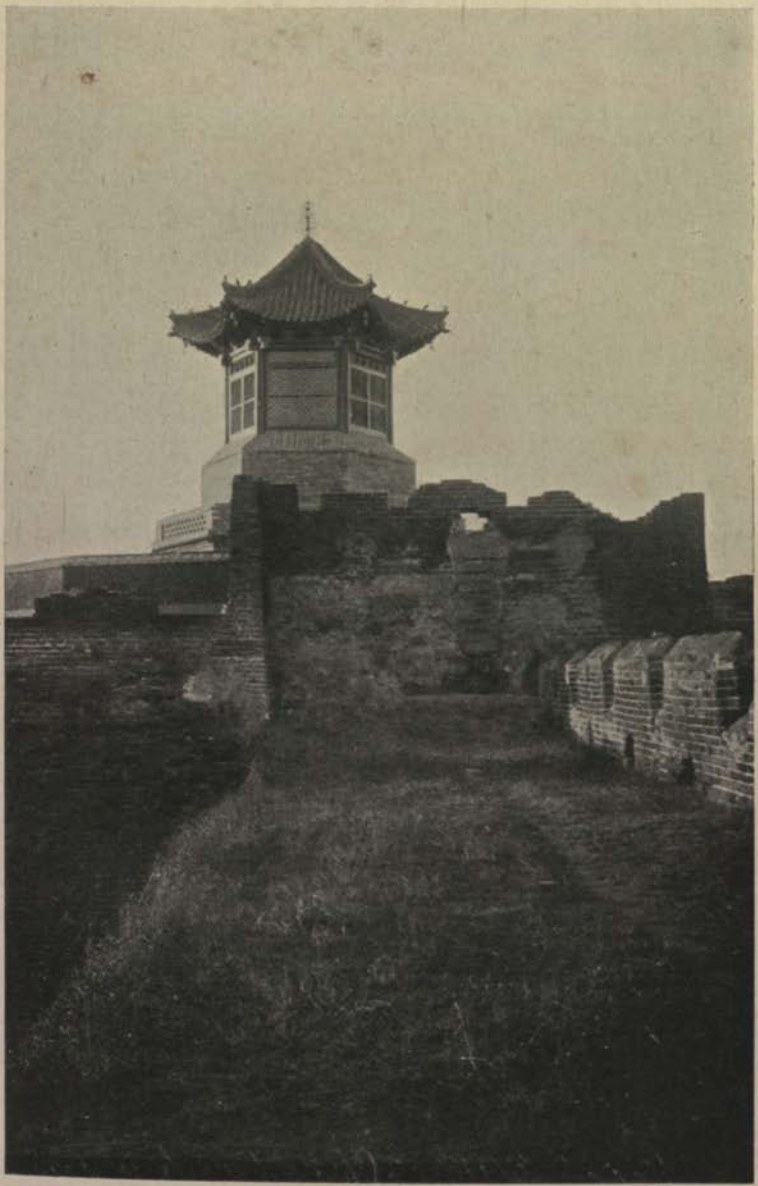
A circumstance which makes the prospects of the future brighter for British enterprise is the conclusion of an arrangement between the Pekin Syndicate and the British and Chinese Corporation, under which the two great bodies of capitalists

agree to treat as matters of joint concern all railway enterprises to be carried through north of the Yangtse River. This consolidation of British interests will, it may be safely assumed, facilitate the securing of concessions, and also smooth the way for the capitalising of the ventures when the time comes for active work. All things considered, the outlook is now brighter than it has ever been for British interests in this most important matter of Chinese development. It only remains for us to continue steadfastly in the path we have marked out to make our commercial position in the heart of China secure against all rivals.

CHAPTER XIV

THE FAR EASTERN SICK MAN—STRIKING VIEWS OF AN ANGLO-CHINESE OFFICIAL A HALF CENTURY AGO — PROPOSED TRIPLE ALLIANCE OF GREAT BRITAIN, FRANCE, AND AMERICA—ANGLO-CHINESE OPINIONS TO-DAY—DANGERS OF DISRUPTION, COMMERCIAL AND POLITICAL — POSSIBILITIES OF REFORM—PROPOSED EXTENSION OF THE DUTIES OF THE CHINESE MARITIME CUSTOMS

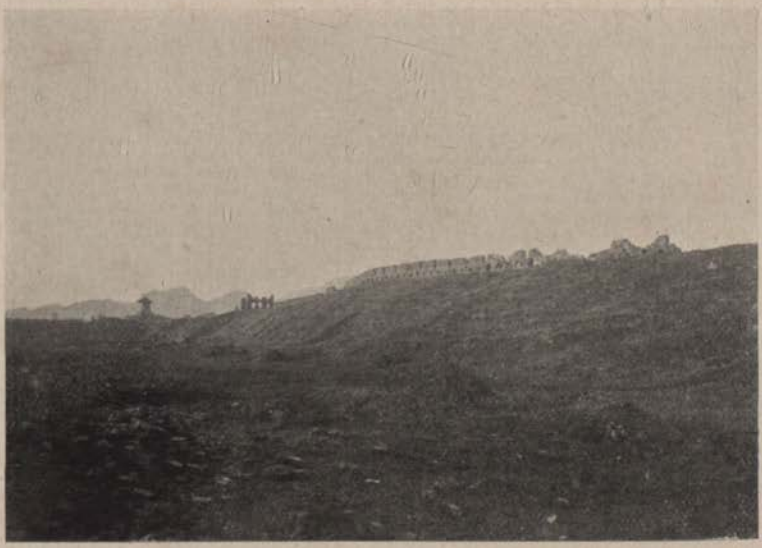
AS I entered China so I left it, with the gloomy prophecies of the impending ruin of the empire ringing in my ears. Men were oppressed with the sense of the terrible dangers with which the vast country was environed, and were nervously apprehensive lest our Government should fail to realise as vividly as they did the necessity of bold, vigorous action to avert the apparently rapidly approaching catastrophe. What has happened since then has only increased the force and impressiveness of the warning words which were addressed to me from almost every quarter during my tour in the Far East. Indeed, if anything, the position has changed for the worse. The Far Eastern



ON THE GREAT WALL OF CHINA NEAR SHAN-HAI-KWAN (SEE PAGE 164).

[*To face p.* 204.

A VIEW ON THE GREAT WALL.



THE GREAT WALL NEAR SHAN-HAI-KWAN.
(The view shows the wall from inside.)

[*To face p.* 205.

Sick Man has become more indisposed; his enemies and ill-wishers have grown bolder and more determined in their attacks on his heritage, serenely confident that in his weakness he would not be able to resist the depredation. A momentary lull in the insidious process of sapping the vitals of the country has been caused by the Russo-Japanese War; but the problem of the future remains to be revived probably in a more acute form than ever as soon as the hostilities terminate. The question is, What solution have we for it? This is not a case in which we can go on with a hand-to-mouth policy, waiting on events, trusting to our proverbial good luck to pull us through in the long run. We must know our mind and, knowing it, we must be prepared to back it with the whole forces, moral and material, which we have at our command.

It is a curious circumstance, and one, I think, which has not received the attention it deserves, that the present critical position of the Chinese Empire was anticipated in almost every detail nearly a half century ago by a well-known British official in China and not only that, but definite proposals were put forward by him for overcoming the dangers which he shrewdly foresaw would follow surely in the train of the unchecked aggression of Russia. The prescient official to whom I refer was Mr. T. T. Meadows, who, as British Consul,

was entrusted with the duty of opening the port of Newchwang to British and foreign trade. This gentleman, in 1856, when the Siberian Railway did not exist even in the region of political dreamland and at a time when Russian designs appeared to be mainly centred in regions removed by the expanse of a continent from their present objective, published an essay on *The Best Policy of Western States*, which might almost have been penned today in the light of actual events. Mr. Meadows' view briefly was, that the march of Russia in Asia must inevitably bring her sooner or later, if permitted to continue unchecked, to the shores of the Gulf of Pechili and the Yellow Sea and that from that point she would be able to dominate and finally absorb China. He believed that the danger could only be averted by a combination of Powers and he suggested as the most effective coalition the grouping of Great Britain, France, and America. The reasons which he gave in support of his theories are so interesting and still have so much cogency that I make no apology for reproducing them.

Russia is the only Power that can seriously speculate on acquiring China for herself. None of the other three can hope to acquire China if they wished it; but they can, by isolated and inevitably jarring operations in matters of commerce and religions, raise quarrels among themselves, and at the same time check and

thwart the spontaneous political action of the Chinese in that work of self-government which is indispensable to national health and strength and to the spontaneous wholesome adoption of military science. The Chinese will then not simply remain externally as defenceless as they now are, but will really become, internally, what many now imagine them to be, *i.e.* unenergetic, effete, hopeless, and helpless. They would then be unable to resist those future aggressions which the severe check she has incurred in her present contest [Crimean War] will not prevent Russia from attempting so soon as her commercial and military communications by telegraph line, by road, by river, and by railway are rendered sufficiently easy throughout the productive regions of Southern Siberia up to her forts on the Amoor, and for which future aggressions she is doubtless already preparing by the less open methods of attack known to be habitual to her foreign policy. When writing some months back in opposition to one of the advocates of interference with Chinese affairs, who, among other things, ridiculed our "guarding against imaginary Russian dangers in China," I stated: "The greatest, though not nearest, danger of a weak China lies precisely in those territorial aggressions of Russia, which she began to attempt two centuries ago, one of which she has successfully carried out at the Amoor within the last three years, and which, if allowed to go on, will speedily give her a large and populous territory, faced with Sweaborgs and Sebastopols, on the seaboard of Eastern Asia. . . . To support the Sick Man in the near East is an arduous and costly affair; let England, France, and America, too, beware how they create a sick giant in the Far East; for they may rest assured that if "Turkey is a European necessity," *China is a world necessity.*

The compact which Mr. Meadows proposed should be entered upon by his Far Eastern Triple Alliance is presented in vivid outline in his composition. Here are the provisions :

1. An attack of Russia on China to place in abeyance any serious discussions that might then be carried on among the three Powers themselves, the matters in discussion to remain as they then happen to be; and such an attack to have the effect of an armistice, leading to peace by arbitration, in the case of the existence of war among them.

2. An attack of Russia on China to constitute a declaration of war against the three maritime Powers; the active operations of the war to begin in a prearranged manner and to be prosecuted by them in the east and west, until Russia agreed to pay all the costs.

3. The action of the three Powers in their intercourse with China to be in all respects regulated by agreement among themselves; force not to be used against China by the subjects or agents of any single one of the three Powers, except in individual or local cases of mere self-defence; and in the event of China refusing redress, in a case which the three Powers considered a grievance to any one of them, then the redress to be obtained by hostile operations of the other two, the aggrieved Power remaining passive, and the costs being required from the Chinese.

4. No concessions in addition to those made by treaty to be demanded from China, except after an agreement among the three Powers and always in the shape of a joint requisition; and no concession to be demanded until the fullest inquiry and consideration had shown that it was not likely to impair the strength for good

of the Chinese Government, and also that the latter possessed the virtual as well as the nominal power of granting it.

5. The three Powers themselves to make no encroachment on the present territories of the Chinese Empire.

6. The three Powers neither to interfere themselves nor to allow any other Power, large or small, to interfere —not even in character of mediators—with the disputes or civil wars of the present Chinese Empire, whether among the Chinese themselves or among them and the other peoples which are contained within the limits of the empire.

7. Special care to be taken that the rulers and people of the Chinese Empire, wherever foreigners come into contact with them, be constantly furnished with translations of the present compact and of the detailed rules based upon it; together with a carefully prepared and full exposition of its subject and meaning, the exposition to be accompanied by maps and to be specially adapted to the geographical and historical knowledge of those whom it is meant to enlighten.

Mr. Meadows was far from being a Russophobe. He recognised that Russia's geographical position impelled her irresistibly seawards. But his appreciation of this fact did not make him see the less clearly that it is "our duty to oppose Russia with all our intelligence, our wealth, and our military force." The cause of civilisation, he thought, alone would justify it, "for the Chinese are freer and happier even under their Manchu Government than they would eventually find themselves under that

of Russia." But the real ground for existence is the political one. The three Powers he had named would, if they were wise, "wage, severally or collectively, a war of exhaustion with Russia rather than allow her to conquer China ; for when she has done that she will be truly Mistress of the World."

Such a compact as that suggested, Mr. Meadows insisted, would result in substantial benefits. It would free China from the fear of encroachments, and one great cause of her exclusiveness would be effectually removed. It would put an end to the undue squeezing of the Chinese Government by vain and ambitious agents, and it would prevent the struggle for concessions which is so detrimental to Chinese interests and so demoralising to the Powers which take part in it. Indirectly it would promote good Government in China itself by the moral force it would exercise upon the ruling authorities. Finally, the writer maintained, an arrangement of the character he sketched, "if fairly concluded by the three maritime Powers, would practically put an end in Eastern Asia to the inherited policy of the Czars and might have the effect of finally convincing Russia that that policy must once for all be given up." She could, in any case, Mr. Meadows added, be invited to join the union for the preservation of China, with equal rights and privileges to all parties.

This, I think, it will be admitted, is a scheme of singular interest. The writer was no visionary or political "crank," but a level-headed official, with a profound knowledge of the Chinese and a remarkable insight into the problems underlying the geographical distribution of power on the Asiatic continent. His opinions of the tendencies of Russian aggression have been thoroughly justified by events. This circumstance lends the greater weight to his views as to the remedies to be applied to meet the situation created by the advance of the northern Power. His scheme, I think, it will be generally admitted is a thoroughly practicable one if for France in the Far Eastern Triple Alliance we substitute Japan, and if we may assume—a large assumption, I admit—that the United States can be induced to depart from her traditional policy of diplomatic independence so far as to enter as a partner a coalition such as Mr. Meadows proposes. In any circumstances the suggestions put forward supply a good basis for building up a Far Eastern policy which is sound and statesmanlike.

Passing from this suggestive essay of Mr. Meadows to the opinions held by the more expert of the Anglo-Chinese officials of to-day, I am struck with the remarkable similarity of the sentiments now expressed with those outlined in his paper. At the present time, as a half century ago,

the predominant note is the supreme importance of taking measures to uphold the integrity of the Chinese Empire. Some account of these Anglo-Chinese views will, I venture to think, be welcomed, and I have therefore cast into a summarised form the various expressions of opinion with which I have been favoured from well-informed quarters.

At the outset of my inquiry into the trend of Anglo-Chinese sentiment I was impressed with the fact that the enormous magnitude of the problem interposes a serious difficulty in the way of a comprehensive view of it. People on the spot were greatly influenced by this consideration, and to that circumstance may be attributed the despondency which, as I have already noted, tinges opinions almost everywhere in China. On one point there is pretty general agreement, and that is as to the improved condition of the Chinese administration. This is not seen at Pekin, but it is visible enough at the provincial capitals where Western ideas are already at work, producing changes for the better in the system of Government. It is thought that if only China can have fifteen or twenty years' freedom from outside interference, she will evolve of her own volition a Government suited to the times and to the habits and customs of her people. Unfortunately the disruptive factors of foreign origin more than keep pace with the advance of the

reforming spirit and, unless they are checked, the downfall of China is inevitable. It is not annexations of territory that are the chief danger: these touch only the fringe, and, though weakening, are not vitally injurious. What most makes for disruption is the imposition upon China of agreements which ignore her sovereign rights. A conspicuous example in point is the Shantung arrangement obtained by Germany. In the opinion of many authorities this concession to Teutonic ambition was more damaging to China than even the Russian acquisitions in Manchuria, for it strikes at the very heart of China, and, if allowed full vent, may split the empire in twain.

That China is in an exceedingly bad way is a proposition which the Anglo-Chinese consider to be beyond controversy. Equally they regard as unassailable the argument that it is the duty of the commercial nations of the West to put her right again, even at the cost of war. It is pointed out that if China breaks up, those who have a preemptive right to territory will be Russia, Germany, Great Britain, France, and Japan. Is it to be supposed, it is asked, that, following a partition, equal rights of trade will exist? The reply can only be an emphatic negative. Each of the Protectionist nations will assuredly institute in its own sphere a system of preferential tariffs, which, though

they may in the long run do them little good, judging from the experience of their other foreign possessions, will successfully cripple British trade excepting in the section which falls to this country under the partition scheme. Japan will so suffer, while America, as a non-participant in the division, will be practically excluded altogether.

The industrial aspects of disruption, though grave enough, are not those which are the most serious. We have to consider also, in the view of experts, the effect which a foreign occupation would have on the military situation in Asia. Though the Chinese have not shone in recent conflicts, they are deemed by excellent judges to be amongst the best fighting material in the world. Quick to learn, submissive to discipline, easily inspired by good leaders, they will, under foreign officers, become formidable soldiers. Such being their qualities is it to be supposed that foreign nations would refrain from utilising them for offensive purposes? Should we not in process of time see China one vast standing camp, in which armies under rival Powers would be ready to carry the torch of war forward in any direction which the self-interest or ambition of particular Powers might direct? In fine, should we not see reproduced in China in a greatly aggravated form the conditions which prevailed in India at the close of the eighteenth century? The Anglo-Chinese see but one answer

to these questions and it must be confessed that there is substantial justification for their view of the probabilities of the future of China under foreign domination.

The despondency which pervades the ranks of the Anglo-Chinese is shared to the full by the more progressive amongst the Chinese officials and is likely, it is considered, if not stopped, to be the very cause of what it fears, and perpetuate the hopelessness of the situation. There is no real justification for the feeling, it is believed, in the actual condition of the country. Apart from the political situation, there is nothing that is not susceptible of remedy. The cause of despondency amongst the Chinese is the absence of any scheme emanating from Pekin for stopping the disintegration of the empire. Foreign views are also greatly influenced in a pessimistic sense by seeing the future through the refracting medium of the capital. But in many ways Pekin is the worst place in which to form a judgment about China. It may almost be said that whatever is bad in China centres there. It is the fountain-head of corruption, the Mecca of official intriguers. In such an environment it is almost inevitable that bold, unscrupulous men should come to the front and that they should give a direction to the policy of the Government. But powerful as are the evil influences of Pekin, they have their limitations. Such is the

system of administration that an enormous power is reposed in the provincial Viceroys. They are, in fact, in many things the real rulers of China. It is, therefore, the tendencies which they show that are really important as far as the internal condition of China is concerned, and happily they have given abundant evidence of their patriotism and zeal for reform. A few years ago foreign-speaking officials in a viceroy's yamen, other than interpreters, would have been very rare, but now foreign educated men are to be seen in many responsible positions, and not a few also in subordinate capacities. In the two northern provinces two officers of high rank have been appointed, with substantial salaries, with the express object of putting down the custom of "squeezing." It is significant that this essay at reform emanated from the throne. Its effect may be judged by native official opinion, which is, that though some of their number will doubtless continue to squeeze if they can, the practice will be henceforward regarded as a dishonourable one, and a man discovered will "lose his face."

In the views of the experts there are two methods of reform possible in China. One is a gradual change, a natural evolution; the other a metamorphosis brought about by a rebellion and the ousting of the present dynasty. The latter method is peculiarly unsuited to China, owing to the vast-

ness of the country and the looseness with which the constituent parts are bound together. It is believed that a good healthy revolution would take decades to have proper effect.

The Empress-Dowager is a sinister figure in the modern life of China, but there is reason to think that she is in favour of reform. Her chief fear is that the desired change may be precipitated by revolution. Assuming her attitude to be what it is represented to be, there ought to be no difficulty in bringing about administrative changes which will be of the highest advantage in themselves and tend enormously to strengthen China. Some phases of her government—the brutality in the punishment of crime and the callousness shown to human life—will probably remain, for, after all, China is Eastern, and she cannot entirely change her character even at the imperious behest of modern civilisation. But such things are not the essentials of a scheme of regeneration. They may, at any rate, it is thought, be left for treatment to a later period.

The slow progress which China has made in comparison with Japan is often adduced as a proof of the incapacity of the former to assimilate modern ideas. But it is hardly fair, it is considered, to judge the Chinese by this standard. Japan has always been a pupil, and, until comparatively recent times, was a pupil of China. On the other hand, China

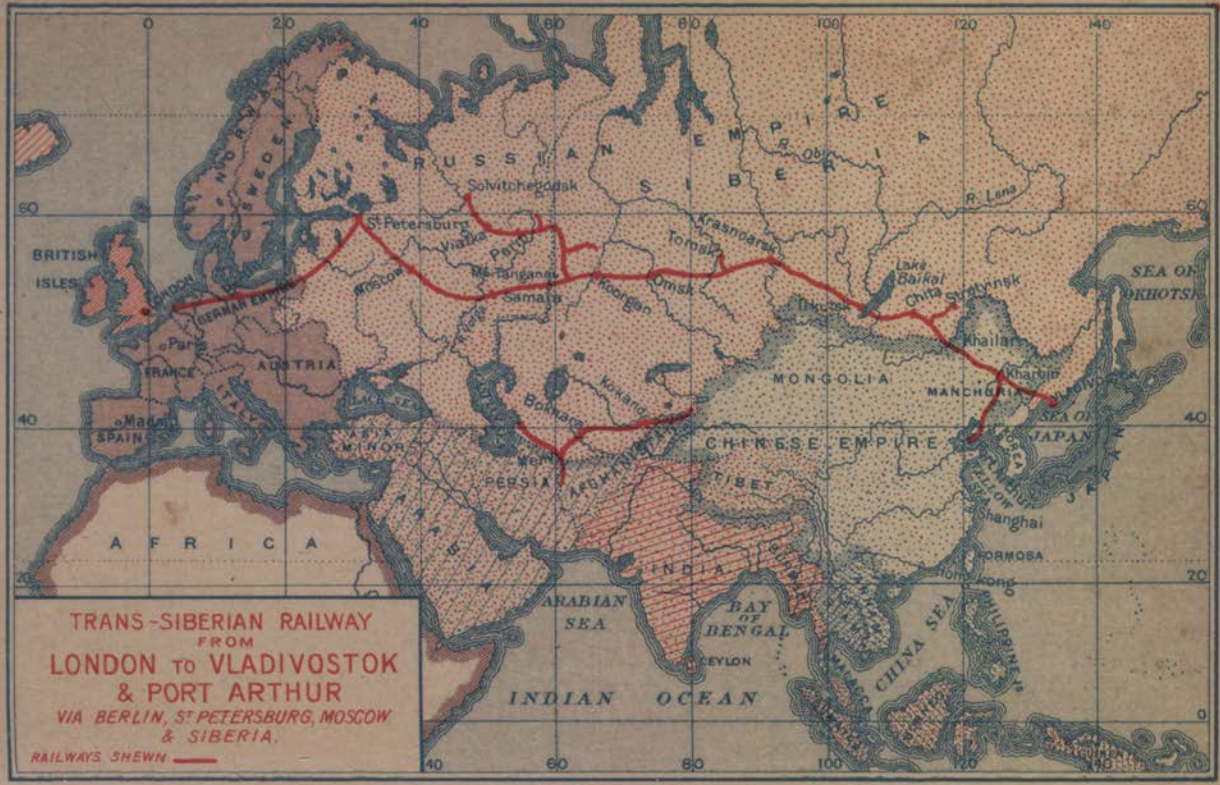
has for untold ages been a teacher, and she now finds it very hard to drop the *rôle* and enter into a condition of pupilage. The change can only be effected gradually. The Chinese reformer wishes to secure the adoption of Western ideas in regard to Governmental administration, in regard to finance, education, industries, and defence; but he does not wish to see their old-established notions of ethics as laid down by Confucius subverted by a foreign religion which in their view is inimical to the factors which bind the Chinese people together and serve as the root of their potential strength.

One great lesson which China has to learn, and which she is learning slowly, is that she must faithfully discharge all the duties of government if she is to preserve her integrity. The matter is the more important as the opening up of railways and establishment of mining enterprise, are creating foreign interests in all parts of the interior. It is clear, however, that the present administration is unequal to this task. The need is for an organised Civil Service, and in course of time one will no doubt be created. Meanwhile, the only body capable of undertaking these duties is the Customs Service; and it may almost be said that the fate of China depends upon whether the service does or does not perform the work. The acquiescence of the Chinese Government in this suggested extension of

the duties of the Customs officials could doubtless be obtained eventually ; but what is wanted also is the co-operation of the foreign Governments—the acknowledgment by them of the Customs Service in its different branches as a department of the Chinese Government administration. Unhappily this does not seem easy to secure, for at present, instead of being supported by foreign Governments, the service is often obstructed. So far from being looked upon as it should be, as a potential saviour of the country, it is viewed with suspicion. It is not realised that the best interests of China and those of the commercial nations are absolutely identical. Short-sighted diplomats fail to grasp the fact that foreigners who faithfully and effectively serve China serve also the interests of the commercial nations.

No doubt in the case of Powers with ulterior aims the existence of this great service, largely manned by the British and with one of our countrymen at its head, is looked upon, not without cause, as a serious impediment to the realisation of their ambitions. But the very reasons which induce, say Russia, to seek to thwart the service and limit its functions should make the commercial nations, and ourselves especially, resist most strenuously any fundamental changes in it. The strong action taken by our Government in opposing the intrigue set on foot some time since to secure

the appointment of a foreign nominee on Sir Robert Hart's retirement was a step in the right direction. As a result of the stand then taken, the appointment of a British successor to that distinguished official is assured as long as British trade continues in its present predominant position. That is an important advantage secured, but it will be of small worth if our vigilance is not maintained and we do not by all the means at our disposal steadily uphold the interests of the Service and use our endeavours to promote the spread of its influence in directions in which it may be usefully employed. Our Government cannot be blind to these considerations. Nor is it to be supposed that in pursuance of a strong policy in this matter they would encounter any serious difficulties, for it must be obvious that any tampering with the service might, and probably would, result in grave consequences to the commercial interests of China.


TRANS-SIBERIAN RAILWAY
FROM
LONDON TO VLADIVOSTOK
& PORT ARTHUR
VIA BERLIN, ST PETERSBURG, MOSCOW
& SIBERIA.
RAILWAYS SHEWN
RUSSIAN EMPIRE
SIBERIA
CHINESE EMPIRE
MONGOLIA
MANCHURIA
PERSIA
TIBET
INDIA
AFRICA
ARABIAN SEA
BAY OF BENGAL
INDIAN OCEAN
CHINA SEA
JAPAN
SEA OF OKHOTSK
BRITISH ISLES
FRANCE
AUSTRIA
SPAIN
ASIA MINOR
CEYLON
FORMOSA
Hong Kong
Shanghai
Port Arthur
Khabarovsk
Khailar
Solvitchegodsk
St Petersburg
Viatka
Perm
Moscow
Ekaterinburg
Tomsk
Krasnoyarsk
Lake Baikal
Chita
Strietensk
R. Lena
R. Obi
Omsk
Koorgan
Samara
Orenburg
Bokhara
Merv
Khiva
Askhabad
Kokand
Berlin
Paris
Madrid
Constantinople
Black Sea
Caspian Sea
Aral Sea
Yellow Sea
Japan Sea
Philippines

CHAPTER XV

ANGLO-CHINESE VIEWS OF THE RUSSIAN OCCUPATION OF MANCHURIA—SUGGESTED LINES OF A COMPROMISE—AN AGREEMENT OF THE POWERS ESSENTIAL TO CHECK RUSSIAN AGGRESSION—AN ALLIANCE WITH THE UNITED STATES—IS IT PRACTICABLE?—A JOINT ARRANGEMENT INEVITABLE ULTIMATELY—BENEFICIAL RESULTS OF SUCH A COMBINATION—REORGANISATION OF OUR FOREIGN OFFICE NECESSARY.

RUSSIAN aggression, as I have shown, is held accountable in the eyes of the Anglo-Chinese for most of the evils which have befallen China. But the strong feeling entertained on this subject does not prevent an appreciation of what may be termed the Russian point of view. The Russians have, with wonderful enterprise, built a railway which is a benefit to the whole world. Strict justice apart, one cannot but sympathise with the aspiration for an outlet on the Far Eastern seaboard, of which this remarkable scheme is the material embodiment. One is the more disposed to regard the Russian venture with friendly eyes

as the line from Vladivostock runs through a part of Manchuria which is almost unpopulated and which it may also be said is unadministered by China. Whether with a sound title or not, Russia has grasped this part of Manchuria and she is now in substantial occupation of it.

Settlements of a character more substantial and permanent than anything to be seen in Siberia, or even in Russia outside the big towns, exist along the line and are being rapidly extended. Tens of thousands of Russians of the peasant class have settled down. If China is to regain her sovereignty over the province, these Russian settlers will have to be ejected. Is such a step practicable? and if practicable, is it desirable? are questions to be asked. The opinion of many experienced Anglo-Chinese is that it is not. But while holding this view, they draw a broad distinction between Northern and Southern Manchuria. The continued occupation of Newchwang in defiance of previously formed rights of commercial nations they consider a grave menace to commerce, which should not be tolerated. Russia, it is suggested, should be plainly and firmly told that she has no exclusive rights there, and that she must leave. The war, of course, has necessarily altered the situation. What was possible a few months ago in the way of diplomacy is out of the question now. It may prove, however, that the

operations now proceeding will facilitate the adjustment of this important question. In any event, our Government should keep steadily in mind the great importance which attaches to this port, not merely in a commercial sense, but as a piece in the great game which is being played out in the Far East.

Russia's general policy in the Far East is believed to be widely misapprehended. The popular view is that she has a definite, well-considered scheme of expansion, which she pursues with relentless fixity of purpose. This, however, is not the case. There are really two parties in Russia. One has vast conceptions of the future of the Empire, and is prepared to take almost any risk to secure their realisation. The other section foresees the enormous difficulties there are in the way of a policy of boundless conquest and would put a limit to expansion, preferring that time should be given for the consolidation of her existing possessions. This division of opinion accounts for much that is otherwise inexplicable in the policy that Russia has pursued of late in her dealings with China. Strong, ambitious and adventurous men, relying on the apathy of the commercial nations, and confident of their ability by one means or another to bend China to their purpose, have fingered the southern part of Manchuria with one

hand while feeling the pulse of the world with the other. A direct conflict did not enter into their designs. Their object was to see how far they could safely go and, when they reached the extreme point, to withdraw. The outbreak of the war with Japan goes to strengthen this view of Russian policy rather than to negative it. It cannot be doubted that Russia believed up to the very last moment that there would be no war. She always hoped and expected that she would be able, as she had done on previous occasions, to extricate herself from her difficulties by dexterous diplomacy, through the medium of which, while apparently making concessions, she would yet retain substantial prizes.

What Russia does want, and has always been prepared to go great lengths for, is the securing of guarantees that her trans-continental line on which she has spent so much will pay. How far it would be wise to yield to her desires in this respect is a question for statesmen, and especially British statesmen, to seriously consider. But in Anglo-Chinese circles before the war there was a widespread opinion that considerable concessions might be made to her wishes without detriment to the interests of the commercial Powers. It was thought that a compromise somewhat on these lines might be arranged: Russia to have absolutely the territory to the north of the Vladivostock line and

a zone say twenty miles to the southward of it; to continue to hold on lease Port Arthur and Dalny; to relinquish absolutely all administrative authority and military occupation elsewhere in Manchuria, though she would be permitted to retain a specified number of railway guards.

In these opinions that I have cited we have a comprehensive survey of the Far Eastern question as it presents itself to the view of men who from wide experience and close study of the facts are entitled to speak with some degree of authority. The theories and suggestions put forward seem to my mind to be deserving of the closest examination. They suggest a distinct policy which might be followed with a reasonable certainty of ultimate success. The upholding at all costs of the integrity of the Chinese Empire; the resolute maintenance of all treaty rights, and unyielding resistance to the cession to foreign countries of privileges calculated even indirectly to infringe them; the reform of China from within; the entrusting to the Maritime Customs Service of extended duties in the general field of administration; and an arrangement with Russia on the basis of a modified occupation of Manchuria,—these are the main points in the programme. How the policy outlined is to be effectually introduced and applied is a matter which remains for consideration. This is

the paramount question ; for clearly, however sound and statesmanlike our policy may be, it will have little force if it is not introduced under proper conditions. The first essential is an agreement with other Powers whose interests in China are identical with our own. Our treaty with Japan was a recognition of this need ; but important as that instrument is, the value of it is likely to be greatly lessened if it is not supplemented by other arrangements. It is conceivable, indeed, that it may prove worse than useless by involving us in complications to the ultimate detriment of our position in China. The ideal solution would be a combination of all the commercial Powers interested in China. But for the moment this appears impossible of attainment. Germany is a factor which would prevent any grouping of this kind. We have had painful experience of what her ideas of combination in China mean. The arrangement which she is pleased to call the Yangtse agreement is a standing proof of the impossibility of co-operation with her in the work of safeguarding China from disruption. Designed as an instrument for the preservation of China's integrity, it was at the earliest convenient moment turned to our disadvantage by being construed in a particular instead of a general sense ; and as if to add insult to injury, the world was informed that Manchuria was specially excluded

from its scope. The simple truth is that Germany dare not offend Russia and she will not move a finger to prevent her aggressive designs, whatever their scope may be. On the other hand, as she has shown by the way in which she has exploited Shantung, she is perfectly ready to take an active part in the despoiling of China if she can do so with safety.

France, who was suggested in Mr. Meadows' interesting essay quoted in the previous chapter, as a member of an alliance for the defence of China, is ruled out of court by the fact that she is too deeply involved by her alliance with Russia to be an eligible partner. She might be induced to join at a later stage of the business, when the foundations of a powerful combination were laid; but more than this could not be expected: it is elsewhere that an ally must be sought.

If we examine the latest trade returns of China, we see at once the direction in which the additional elements of a Far Eastern alliance may be sought. According to the official figures, next to ourselves the United States contribute the largest share to the volume of Chinese trade. In 1901—the last year for which returns are available—she sent to China goods of the value of £3,476,000, and took from China goods worth £2,458,000. Her trade altogether was within £916,000 of the total

of that of all European countries other than Great Britain with China; and it is a trade which is making enormous strides, the increase during the year being represented by the high figure of £2,080,000, or more than one-third. The completion of the Panama Canal will powerfully strengthen existing ties. The United States then will be predominant in the Pacific. It is manifest, indeed, that the maintenance of the integrity of China is almost as great an American as it is a British interest. That this view is clearly recognised by the Government at Washington we have had abundant evidence lately—notably in the issue of Mr. Hay's circular to the Powers inviting their adhesion to a pledge to maintain inviolate the Chinese dominions. But though the United States has shown herself commendably active in Far Eastern affairs of late, we cannot forget that a cardinal feature of her foreign policy is strict diplomatic independence. The theory of her constitution is that she stands apart from the jarring elements of European diplomacy and that alliances are beyond her needs and her interests. This was a rule which served her purposes well in the days not far remote, when the American continent contained all that was necessary to the satisfaction of her ambitions. But the war with Spain completely changed the aspect of affairs. It brought

her at one bound into the orbit of international politics and whether she desired it or not, she had to assume the added responsibilities which that position created for her. Every year that has passed since then has drawn her further away from her old traditions. A semblance of independence has been, and indeed is still maintained ; but every despatch sent out from the Foreign Department at Washington has brought her nearer the position which the Western Powers occupy, since in the higher politics, as in ordinary political life, support from outside has at some time or other to be sought if success is to be achieved.

This being the position, it becomes of interest to inquire whether in the crisis which has arisen and in which she is so deeply concerned she will not go a step further and definitively abandon her splendid isolation. The question is one which, having regard to the controlling power which the Senate exercises over foreign affairs, admits of no ready reply. But looking at the position of affairs in the Far East—to the existing grouping of powers inimical to Chinese integrity and to the jealousy with which American intervention in international politics is regarded by Germany, it seems impossible that the American Government can long withstand the almost irresistible influences which are driving her to combine with

us in upholding China's independence. It is easy to perceive that if she acts alone she may some day find herself compelled to make a choice between waging a dubious war with a combination of European Powers and beating a humiliating retreat from a diplomatic position strongly taken up. Diplomacy may be superlatively clever, but if it is backed inadequately by physical means, it soon loses its moral force. Considerations so obvious as these cannot, I am sure, have been overlooked at Washington, and if I am not greatly mistaken the way is already being paved for a departure perhaps the most momentous that has ever been taken by the United States since she became an independent Power.

The question of the abolition of the *likin* is admittedly a stumbling-block. The United States policy and ours are not altogether in harmony on this subject. While the abolition of the internal duties which go by the name of *likin* is a great desideratum with us, the Americans would prefer their continuance to the imposition of the 5 per cent. extra import duty which is substituted for them under the arrangement concluded by Sir James Mackay. Though the controversy is a thorny one, it cannot be supposed that it will be permitted to keep the two Governments apart. Some compromise will,

it may be safely surmised, be found by which the views, at present conflicting, will be reconciled. Personally I look to the completion of a union of the Governments of the two great English-speaking races as one of the certainties of a future which is not distant. It is probable that at the outset an alliance between ourselves and the United States in the Far East will be disguised in the form of an agreement which can be represented to the world as something quite different from the genuine diplomatic article, but the essential thing will be there, and that is the important matter.

The formation of a Triple Alliance between Great Britain, the United States, and Japan, would go a long way to settle the Far Eastern question on enduring lines. Such a combination would wield a power which could not be resisted and it is probable that it would ultimately develop into a league of all the great Powers to preserve the *status quo* in the Far East. To China herself the moral support of a coalition of the kind would be of inestimable benefit. Freed from the haunting fear of attacks from without, she would be able to set her house in order. The better elements in the country would assert themselves with the assurance that their efforts to improve the administration would receive support. The development of the country would proceed on

sound economic lines, and commerce under the vivifying influence of stable Government would increase enormously. In fine, a new era would be opened up, fraught with the brightest possibilities for China and the trade of the world.

On our own part, if we are to reap the full advantages of common action in the Far East, we must be prepared to make considerable changes in our system of dealing with questions affecting that part of the world. I am not one of those who think that nothing good can come out of our Foreign Office. Having regard to the tremendous issues entrusted to it and the comparatively small means placed at its disposal for the discharge of its duties, I think it does its work exceedingly well and deserves the gratitude of the country. But, like other of our Government departments, it has in some respects got out of date. It was organised for a state of affairs in which the only foreign questions of importance were centred in two or three European capitals and attained to fame at a period when a thorough knowledge of French, combined with ability, was sufficient to enable a Foreign Office official to properly discharge his duties. The position is very different now. The storm centre of diplomacy has travelled away from Europe into regions undreamt of a half-century ago as possible scenes of international controversy.

Africa, Australia and America have in turn been brought into prominence by the kaleidoscopic changes of the world's politics. But it is in Asia that are seated the greatest disturbing forces which are convulsing the chancellories and there the greatest external interests of this country lie. Such is our position that we dare not, even if we would, treat the issues raised with indifference. If we wish to hold our own, we must bring to bear upon them not only the diplomatic *finesse* of the trained intellect of Whitehall, but the ripe experience and judgment of men who have spent the best part of their lives in dealing with some phase or other of the problems which arise. The existing constitution of the Foreign Office, I fear, does not provide for this union of forces, at all events to the extent desirable and necessary. What is wanted, in my judgment, is the application to Far Eastern affairs of the broad principles which govern the conduct of the concerns of India in this country. There should be a thoroughly organised and well-equipped Asiatic department, whose duty it would be to have its finger on the pulse of Asiatic politics and be ready at all times to advise the Government of the day on questions of current interest affecting that part of the world. I am not sure that the plan of the Indian Council, modified to suit the special requirements of the department,

might not be followed with advantage. Certainly there should be found some means of utilising, in an advisory capacity, the wealth of ability which exists in the ranks of the retired officials and merchants who have spent the best years of their lives in Asia. The subject is one which has not so far received the full attention it deserves, but it cannot much longer be evaded. If we are to hold our position in the East, it is of the first importance that the agency by which our diplomacy is directed should be armed at all points with that special knowledge which can only be acquired by long residence in the East.

KOREA,

THE GROUND OF DISPUTE BETWEEN RUSSIA AND JAPAN.

CHAPTER XVI (*Conclusion*)

THE PROBLEMS OF THE WAR—EFFECT OF JAPAN'S SUCCESSES ON THE ASIATIC MIND—JAPANESE INTERVENTION IN CHINA AND ITS DANGER—THE JAPANISATION OF CHINA MUST BE RESISTED—IMPORTANCE OF BRINGING THE WAR TO A CLOSE AT THE EARLIEST PERIOD—A CONFERENCE OF THE POWERS DESIRABLE AFTER PEACE IS CONCLUDED—CONCLUDING OBSERVATIONS.

IN this final chapter I have left for consideration—appropriately, I think my readers will concede—the problems which may be expected to arise out of the conflict which is at present raging in the Far East between Russia and Japan. Writing as I do while the issue is still uncertain, it is manifestly impossible to appraise the precise importance of the events now occurring at the seat of war. But there are certain aspects of the situation upon which it seems to me speculation may be usefully employed. I may, perhaps, go further, and say that it is highly desirable that we should make a careful examination of the possibilities of the struggle, in order that we may be prepared to act at the right moment

in the manner which best accords with our interests. This appears the more necessary as the crisis is no common one. We are in the presence of events which are without parallel in modern history. For the first time an Eastern and a Western nation are pitted against each other, both using modern weapons and using them on something like equal terms. The tremendous significance of this circumstance must be apparent to the most superficial observer. It is to some extent a readjusting of the balance which has so long fallen heavily against the East. Whatever may be the upshot of the war, things cannot go on afterwards quite the same as they have done in Asia. To use a homely expression, the Easterns have been made to feel their feet. They have been taught that there is nothing supernormal in the Western. Armed with his weapons, directed by his ideas and disciplined in the same fashion as he is, the Eastern can, in not specially favourable circumstances, do quite as well and even beat him at his own game. It is a startling lesson, which we may be sure will not be lost.

The Eastern is an impressionable mind. It quickly responds to influences, especially when they harmonise with the drift of its sentiment. A new and striking idea is broached. With lightning rapidity it circulates, producing the most

extraordinary ferment. This was the case in India on the occasion of the Mutiny; it was the case also in China during the Boxer outbreak. If the Asiatic temperament is not seriously misunderstood, it will happen again in the present instance. From one end of Asia to the other the news will go forth—nay, probably is going forth—that the career of the all-victorious European has received a severe check at the hands of an Asiatic Power—that at last the Eastern is getting back something of his own. Prestige is a word which it was the fashion sometime since of a certain section in this country to deride. It was represented as a mere empty-sounding phrase, used for the most part to cover aggressive designs which could not in themselves be justified. For my own part, I prefer to adopt the view of the definition of the word expressed by Baron von Hübner in his work on British India. "What is prestige?" asked the distinguished diplomat. "Every one I meet speaks of it and no one has yet been able satisfactorily to define it. To my mind, if you succeed in inspiring me with the idea that you are stronger than I am, you exercise prestige over me. The less the conviction on my part is founded on reason, the deeper it is. If once it rises to the height of an article of faith, the prestige will be complete. Dictionaries call 'prestige' an 'illusion,' but this definition seems

to me erroneous. So long as it is based on real superiority, prestige has nothing illusory about it. It becomes an illusion when reality ceases to correspond with appearance."[1] These shrewd words appear to me to aptly describe that intangible influence which has given a force to European authority throughout Asia out of all proportion to the actual strength which it is able to summon to its aid. If the feeling be destroyed or even weakened, consequences of the most far-reaching character may result. As far as the ultimate results are concerned, it matters not from whence the blow comes. Though in certain areas the people are sufficiently instructed to be able to draw distinctions between one Power and another, Asia in the bulk classes all European nationalities under one head and regards them as people to be feared and hated. Remove the fear and the hate may come to the top with startling consequences.

It is this aspect of the present crisis which should make us keep well in check those natural feelings of sympathy with the Japanese for the gallant stand they are making against Russia in the Far East. We cannot, if we would, dissociate ourselves from the community of racial interest which binds us, as a great Euro-Asiatic Power, to Russia. Her defeat and humiliation might, and doubtless would, redound

[1] Von Hübner's *Through the British Empire*, p. 412.

to our advantage in many ways ; but it is more than probable that it would in the long run create for us difficulties of a most serious kind. Through the length and breadth of China, on to the bazaars of Central Asia and India, and beyond to the centres of Mohammedan fanaticism in Arabia, Persia, and Egypt, the word would be passed that at last the mighty had fallen—at last the day of emancipation from European thraldom had come. A common movement inimical to Western influence might not result immediately, but there would probably ensue a dangerous condition of ferment which would act and react upon our power in India and at the other centres in Asia where it is seated.

This is a phenomenon which it would be wise to look for, even if Japan used her advantages with perfect moderation. If she elected, on the strength of her victory, to fill an ambitious *rôle* and stand out as the protector of the Eastern races, as some suppose she may do, then the position would become distinctly more serious. We should have a new Munroe doctrine without the safeguards for the maintenance of existing interests which that famous instrument of American diplomacy embodies, and devoid of the guarantees of respect for individual rights by which it is accompanied. It would be a case of Asia strictly for the Asiatics, with a liberal interpretation of the legitimate

geographical limits within which the decree should run.

I do not myself think that there is any great fear of the development of the Yellow Peril in this form. Racial and religious differences alike forbid the notion. In the world's history there has never been perfect unity amongst the various elements of the population of the East, and in my humble judgment there never will be. But what may reasonably be expected to happen is that the triumph of Japan will be followed by what, for want of a better term, has been called the Japanisation of China. There is a similarity of race and a community of thought between the Mikado's subjects and the Chinese, and these attributes—especially after a period of severe stress in which the one had shown themselves to be peculiarly fitted to play the tutor to the other—may be calculated to bring them closely together. Over and above this there is the strong, steady, almost passionate determination that the Japanese have to extend their influence, political and commercial, to the sister empire. This has been manifested for a long time in ways indicated in earlier chapters; and as Japan never does anything without a definite end, we cannot but suppose that the agents with which she has been flooding the country for a long time past are the chosen apostles appointed to

prepare the way for a new dispensation in which Japan will be the commanding figure. The re-organisation of the Chinese army and the re-creation of her navy figure in the forefront of the programme. They are the essential preliminaries to the execution of the design. When the work in that direction is completed, the time will be ripe for the assertion of a well-defined influence on the internal affairs of the Chinese Empire. In that day we may find the old Japanese spirit of exclusiveness asserting itself unpleasantly to our detriment, not less than to that of other Western nations.

In commercial matters especially trouble may be expected. Japan is a rigidly Protectionist country. She has always been so, and, as I have before stated, the tendency is rather to enhance duties than to lower them. The exhaustion caused by the war will compel her to look for means to repair the financial ravages she has sustained, and what more natural than that she should cast her eyes to China and seek to find there the compensation for her sacrifices. Direct differential duties in her favour are probably not to be looked for, but she may be given special advantages which will in the long run be quite as beneficial to her, and equally as detrimental to Western commercial nations. There is certainly a rock ahead in this direction which

requires to be carefully guarded against. We must not in our anxiety to avoid the Russian Scylla drive on the Japanese Charybdis.

Our policy in regard to China after the war, as well as before it, should have for its cardinal feature the absolute independence of China. If there are to be reforms, they must come from within, not from without. There must be no Japanisation in the sense that Japan is given or assumes for herself a mandate to "regenerate" China. She must have her share in the work of observation and supervision, but there her mission must end. This attitude would be assumed by us from no jealousy of our ally and without any desire to circumscribe the legitimate influence which will attach to her position as the victor in this struggle; but simply and solely because we will not swerve one iota from the principle upon which our Chinese policy is based, believing as we do that through that policy alone is to be found an enduring settlement of the Far Eastern question.

It is not at all likely that Japan will attempt to push her forward policy if we make our position clear at the outset. Her whole future is bound up in the maintenance of her alliance with us. Whatever may be the result of the war, she will at its close stand in need of a strong supporting hand. She will be fortunate, indeed, if she escapes from

a hostile coalition to deprive her of the fruits of victory, as on the occasion of her war with China. Moderation will be imposed upon her by the necessities of her position. With the susceptibilities of certain of the Western Powers keenly aroused, she will need to walk with extreme circumspection if she is to avoid another entanglement. Looking at all the probabilities, we may fairly assume, I think, that the Japanisation of China is beyond the range of the practical politics of the immediate future. That it may come some day I am quite willing, for the reasons I have already given, to concede; but with proper diplomacy on our part it ought to be deferred to a period when it would involve us less seriously than at present.

The war is so disturbing in its existing aspects, so menacing in its future possibilities, that the best energies of our Government should be directed to limiting its duration. Unhappily the time is not yet to talk about a settlement, but opportunity may offer later on for our friendly intervention, and then we should endeavour to secure the completion of an arrangement which, while it will give all the guarantees needed for protection of commerical interests in the Far East, will yet not bring a permanent humiliation on either party. The general lines of a treaty of peace such as would answer to this description are fairly obvious. Japan in Korea

would have a sphere of influence suited to her genius and Russia, under the strict conditions outlined in the previous chapter, might be left in possession of her railway and the territory dependent on it. In addition there would be a mutual guarantee of the integrity of China. To give such an instrument as this sanction there should be a conference of the great Western Powers, with the United States and Japan added. At this might be discussed the measures which should be adopted to maintain inviolate the Chinese dominions and with them the peace of the Far East. Absolute harmony could not probably be hoped for in view of the conflict of interests, but many useful points might be settled and an understanding arrived at on minor yet highly important matters affecting the main issue. The conference, however it might result, would not render the less desirable or necessary the combination with the United States to which I have referred. It would rather make such a diplomatic departure the more desirable, for the decisions come to would require the binding sanction of a reserve of force and this could only be completely assured by a union between the three Powers whose interests are chiefly bound up in the preservation of the Chinese Empire.

Here I must leave this great Far Eastern problem. In its engrossing interest and its enormous importance

it has not been surpassed by any question of international politics which has been before Europe in modern times. Hitherto too little attention has been given to it by our public men. Interest, however, is now thoroughly aroused, and if anything I have said will assist to stimulate it, the object of this little work will have been thoroughly accomplished.

APPENDIX

THE following is a reproduction of the Parliamentary Paper (Japan, No. 1, 1902) embodying the despatch to His Majesty's Minister at Tokio relative to the agreement concluded between Great Britain and Japan on January 30, 1902 :

THE MARQUIS OF LANSDOWNE TO SIR C. MACDONALD.

FOREIGN OFFICE, *January* 30, 1902.

Sir,—I have signed to-day, with the Japanese Minister, an Agreement between Great Britain and Japan, of which a copy is enclosed in this despatch.

This Agreement may be regarded as the outcome of the events which have taken place during the last two years in the Far East, and of the part taken by Great Britain and Japan in dealing with them.

Throughout the troubles and complications which arose in China consequent upon the Boxer outbreak and the attack upon the Pekin Legations, the two Powers have been in close and uninterrupted communication and have been actuated by similar views.

We have each of us desired that the integrity and independence of the Chinese Empire should be pre-

served, that there should be no disturbance of the territorial *status quo* either in China or in the adjoining regions, that all nations should, within those regions, as well as within the limits of the Chinese Empire, be afforded equal opportunities for the development of their commerce and industry and that peace should not only be restored, but should, for the future, be maintained.

From the frequent exchanges of views which have taken place between the two Governments and from the discovery that their Far Eastern policy was identical, it has resulted that each side has expressed the desire that their common policy should find expression in an international contract of binding validity.

We have thought it desirable to record in the Preamble of that instrument the main objects of our common policy in the Far East to which I have already referred and in the first article we join in entirely disclaiming any aggressive tendencies either in China or Korea. We have, however, thought it necessary also to place on record the view entertained by both the High Contracting Parties, that should their interests as above described be endangered, it will be admissible for either of them to take such measures as may be indispensable in order to safeguard those interests and words have been added which will render it clear that such precautionary measures might become necessary and might be legitimately taken, not only in the case of aggressive action or of an actual attack by some other Power, but in the event of disturbances arising of a character to necessitate the intervention of either of the High Contracting Parties for the protection of the lives and property of its subjects.

The principal obligations undertaken mutually by the

High Contracting Parties are those of maintaining a strict neutrality in the event of either of them becoming involved in war and of coming to one another's assistance in the event of either of them being confronted by the opposition of more than one hostile Power. Under the remaining provisions of the Agreement, the High Contracting Parties undertake that neither of them will, without consultation with the other, enter into separate arrangements with another Power to the prejudice of the interests described in the agreement and that whenever those interests are in jeopardy they will communicate with one another fully and frankly.

The concluding Article has reference to the duration of the Agreement which, after five years, is terminable by either of the High Contracting Parties at one year's notice.

His Majesty's Government have been largely influenced in their decision to enter into this important contract by the conviction that it contains no provisions which can be regarded as an indication of aggressive or self-seeking tendencies in the regions to which it applies. It has been concluded purely as a measure of precaution, to be invoked, should occasion arise, in the defence of important British interests. It in no way threatens the present position or the legitimate interests of other Powers. On the contrary, that part of it which renders either of the High Contracting Parties liable to be called upon by the other for assistance can operate only when one of the allies has found himself obliged to go to war in defence of interests which are common to both, when the circumstances in which he has taken this step are such as to establish that the quarrel has not been of his own seeking, and when, being engaged in his own defence, he finds himself threatened, not by a single Power, but by a hostile coalition.

His Majesty's Government trust that the Agreement may be found of mutual advantage to the two countries, that it will make for the preservation of peace and that, should peace unfortunately be broken, it will have the effect of restricting the area of hostilities.

I am, etc.,

LANSDOWNE.

ENCLOSURE

AGREEMENT BETWEEN GREAT BRITAIN AND JAPAN SIGNED AT LONDON, JANUARY 30, 1902.

The Governments of Great Britain and Japan, actuated solely by a desire to maintain the *status quo* and general peace in the extreme East, being moreover specially interested in maintaining the independence and territorial integrity of the Empire of China and the Empire of Korea, and in securing equal opportunities in those countries for the commerce and industry of all nations, hereby agree as follows:

Article I.

The High Contracting Parties, having mutually recognised the independence of China and of Korea, declare themselves to be entirely uninfluenced by any aggressive tendencies in either country. Having in view, however, their special interests, of which those of Great Britain relate principally to China, while Japan in addition to the interests which she possesses in China, is interested in a peculiar degree politically, as well as commercially and industrially, in Korea, the High Contracting Parties recognise that it will be admissible for either of them to take such measures

as may be indispensable in order to safeguard those interests if threatened either by the aggressive action of any other Power or by disturbances arising in China or Korea, and necessitating the intervention of either of the High Contracting Parties for the protection of the lives and property of its subjects.

Article II.

If either Great Britain or Japan, in the defence of their respective interests as above described, should become involved in war with another Power, the other High Contracting Party will maintain a strict neutrality, and use its efforts to prevent other Powers from joining in hostilities against its ally.

Article III.

If in the above event any other Power or Powers should join in hostilities against that ally, the other High Contracting Party will come to its assistance and will conduct the war in common, and make peace in mutual agreement with it.

Article IV.

The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the interests above described.

Article V.

Whenever, in the opinion of either Great Britain or Japan, the above-mentioned interests are in jeopardy, the two Governments will communicate with one another fully and frankly.

Article VI.

The present Agreement shall come into effect immediately after the date of its signature, and remain in force for five years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said five years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto*, continue until peace is concluded.

In faith whereof the Undersigned, duly authorised by their respective Governments, have signed this Agreement, and have affixed thereto their seals.

Done in duplicate at London, 30th January, 1902.

(L.S.) (Signed) LANSDOWNE.

His Britannic Majesty's Principal Secretary of State for Foreign Affairs.

(L.S.) (Signed) HAYASHI.

Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan at the Court of St. James'.

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